Power

workers

threaten

action

CONTINENTAL SELLING PRICES: AUSTRIA Sch 15; BELGIUM Fr 25; DENMARK Kr. 3.5; FRANCE Fr 3.5; GERMANY DM 2.0; ITALY L 600; NETHERLANDS FI 2.0; NORWAY, Kr 3.5;

GENERAL

Fury at China border killing

Chiua and the Soviet Union lodged formal protests against each other after an incident on the Soviet border adjoining China's north-western Xinjiang province in which a Chinese

official was killed.

The incident, on July 16, which appears to be the most serious since a similar clash in May 1978, is likely to sour Sino-Soviet relations just as plans for talks between the two countries on improving relations

are being completed.

The Soviet Union last year rejected Chinese proposals for talks after Peking had demanded the withdrawal of Soviet troops from the Russian and Mongolian borders. It is believed 650.000 Russian troops face a force of about 1.3m Chinese along the border, Back

No relaxation

Mrs. Thatcher, the Prime Minister, said there was no question of minimum lending rate being cut as long as demand for credit and bank borrowing remained at its current rate. Back Page

Craxi fails

Italy's Socialist leader Bettino Craxi resigned as Premierdesignate after the Christian Democrats formally rejected his attempt to form a coalition.

Monopoly stays

A bid by backbands Torn MP elevise Trotter (C. Innemotic) to introduce a private member's Bill to break the Post Office mail monopoly was defeated by 210 votes to 187 in the Commons. Parliament Page 8

Sinai handover

section of Sinal to Egypt today in spite of disagreement over UN force which should be stationed between the two sides.

RUC chief

Constabulary since 1973, is to resign to take over as commandant of the police staff college at Bramshill, Hampshire. conference. Page 6

Hovercraft plan Giant hovercraft, designed to

are planned by the British Estional

Actors protest

End in protest against increases 21,000 was held up when the in VAT and cuts in Arts Council CGT Labour organisation grants and public spending. refused to endorse parts of the pact.

Uganda taiks

The first of two conferences on rebuilding Uganda's economy, attended by friendly govern-ments and international organisations, opens in Kampala today.

Super Yankee

American Gerry Spiess arrived in Falmouth last night in his cream one of meaning profit to ft Yankee Girl, the smallest policy of short term profit to ft Yankee Girl, the west-to-east maximisation would not be in Falmouth last night in his

Atlantic crossing.

Liquid assets Burglars who broke into a house in Aachen, West Germany, left a note for the owner saying:

"Financially a dead loss, but your wine is fantastic, Cheers." Briefly ...

Two airmen were killed when an American Air Force F-111 fighter crashed into the sea off Withernsea, North Humberside. Giant oil slick caused by last week's collision of two supersupers off Tobago is still breaking up, reducing the threat to
the island's beaches.

SEROX CORPORATION of
the U.S. reports a 20 per cent
insee in second-quarter net
income to \$152m. Page 18

Business

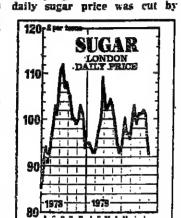
Gilts stronger; Sugar falls £4

© GILTS: A further boost for sterling ensured all-round strength for Government stocks on the eve of today's tenders for the largest-ever tap stock issue. Gains in longs extended to I and the Government Securities Index rose 0.37 to

• EQUITIES: An early improvement was found to lack substance and values began to drift back. The FT 30-Share Index was 1.7 higher at noon but closed only 0.3 better at

O Wall Street was up 3.76 at 829.27 before the close.

SUGAR: World values fell beavily again and the London



£4 to £92.50 a tonne, its lowest since August 1978.

O STERLING rose 2.35 cents to close at \$2,3250 and its trade-weighted index closed at 73.6 (73). The dollar's tradeweighted index eased to 83.7

@ GOLD closed in London at record \$305}, a rise of \$14.

decrease in the spring and early summer halted over the last month and notified vacancies have started to decline. Back Page; Regional mup, Page 7

6 BRITISH industry's real Sir Kenneth Newman. Chief profitability was likely to be Constable of the Royal Ulster halved this year. Sir John Greenborough, president of the Confederation of British Industry, told a Financial Times

3 ADVISORY, Conciliation and Arbitration Service officials had informal talks with engineercompete with passenger car ing union leaders about the ferries over routes of 200 miles, industry's pay dispute. A overtime ban Horocreaft Corporation, Page 7 scheduled to start on Monday.

O AGREEMENT between More than 3,000 members of French steel companies and the Equity, the actors' union, unions on measures to reduce merched through London's West the Industry's workforce by unions on measures to reduce

> O CONFEDERATION of British Industry, in a code of practice to be published shortly, recommends companies to adopt openstyle management and to increase communication and

consultation with employees. @ PRICE COMMISSION, in its final company investigation, has given Shell UK Oil a virtually clean bill of health but says

justified at present. Page 7 O SCOTCH whisky exports fell by more than 7 per cent to 45.7m proof gallons in the first half of 1979, the first drop in overseas sales for many years.

COMPANIES

WHITBREAD, the brewing group, forecasts a reasonable result for the first six months of 1979 on the basis of increased

CHIEF PRICE CHANGES YESTERDAY Prices in pence unless otherwise indicated)

RISES	European Ferries 1291	-	4
ndng. 54pc 82-84 5861 + 1 cas. 151pc 1996 5122 + 3	Hunting Gibson 270	_	ð
lied Textile 144 + 4	ICL 436	_	4
sscd. Tea Estates 30 + 3	Kitchen Queen 57	_	3
annel Tunnel 130 + 25	Lloyds Bank 318	_	5
rotherm 303 + \$	Siebe Gorman 168		
than (B. and I.) . 69 + 3	Staveley 262	_	24
tWest Bank 355 + 5	Stylo Shoes 162	_	7
cop. Reversionary 147 + 5	Tricoville 80	_	4
tock Conversion 374 + 4	Vinten 148	_	6
UC Investments 245 + 5	Angio American 333	_	7
FALLS	MIM Holdings 168	_	5
Clifford's Dairles A 76 - 4	Union Corporation . 330	_	7

British Gas makes record profit: will lend to Government

BY RAY DAFTER, ENERGY EDITOR

British Gas, which announced a record pre-tax profit yesterday of £360.7m, will soon begin lending money to the Government.

The State-owned gas operations have become so profitable that the corporation has received Government approval to begin depositing its excess cash with the National Loans Fund. Under this agreement, shortly to be ratified, British Gas will

be able to draw on its holdings to pay for major replacement or development projects. This is unlikely to be necessary until at least the mid-1980s. Until then the corporation expects to be able to fund its in-

vestment of about £350m a year from internal sources. In spite of its favourable financial position the corporation is anxious to begin increasing the price of gas to its 14.3m

domestic customers.
In April next year, when the Government-imposed price freeze on domestic tariffs expires.

British Gas may press for a rate increase of about 20 per cent. Assuming no further Government controls, the corporation would then sim to continue raising domestic tariffs in real terms for several more years. Sir Denis Rooke, chairman of the corporation, said that domestic gas prices had fallen



Sir Denis Rooke: Domestic prices out of line

bought by commercial and will deposit money with the industrial users. The domestic fund, perhaps as much as tariffs did not reflect increasing \$300m in the current financial costs of offshore gas supplies.

These price rises will push out of line with the costs of British Gas profits even higher. other fuels and the price of gas. Within the corporation, I under-

stand, it is thought quite possible that pre-tex profits will reach £1bn by the early 1980s. This in turn will influence the amount of cash deposited in the National

The corporation's profit of £360.7m in 1978-79 was made on a turnover of £2.97bn and net assets of £3.14bn (at historic

The profit double that of last year and over 10 times more than that of 1976-77, was achieved for three basic reasons,

said Sir Denis,
Gas sales were higher than
ever before; the corporation had completed writing off natural gas conversion costs and dis-placed plant in the previous year; and interest charges were lower because of early repayment of Government loans. In the past three years British

Gas has repaid to the National Loans Fund over £1.25bn. The outstanding balance of £115.5m was being repaid this week. From now on the corporation

It will become the first State Centinued on Back Page Lex. Back Page

Fears of extra OPEC rise as dollar slips

BY TAY DAPTER, SWEEGY EDITOR

THERE IS growing concern—It has even fallen by 1 per more—in addition to next year's within the oil industry that the cent from the time of last still-to-be-agreed prices. Indusporting Countries may convene—While oil market conditions—in addition to next year's still-to-be-agreed prices. Indusporting Countries may convene—While oil market conditions—in addition to next year's still-to-be-agreed prices. Indusporting Countries may convene—in addition to next year's still-to-be-agreed prices. Indusporting Countries may convene—in addition to next year's still-to-be-agreed prices. Indusporting Countries may convene—in addition to next year's still-to-be-agreed prices. Indusporting Countries may convene—in addition to next year's still-to-be-agreed prices. Indusporting Countries may convene—in addition to next year's still-to-be-agreed prices. Indusporting Countries may convene—in addition to next year's still-to-be-agreed prices. Indusporting Countries may convene—in addition to next year's still-to-be-agreed prices. Indusporting Countries may convene—in addition to next year's still-to-be-agreed prices. Indusporting Countries may convene—in addition to next year's still-to-be-agreed prices. Indusporting Countries may convene—in addition to next year's still-to-be-agreed prices. Indusporting Countries may convene—in addition to next year's still-to-be-agreed prices. Indusporting Countries may convene—in addition to next year's still-to-be-agreed prices. Indusporting the countries of the countries o an extraordinary price-fixing meeting in September.

This arises from the c activities of some OPEC members, in breach of the compro-mise deal negotiated at last month's ministerial conference.

Dr. Mana al Otaiba, president of OPEC and the United Arab Emirates Minister of Oil, said last week that be might call a September meeting if this was warranted, OPEC ministers are

3.5 per cent on the trade-weighted index as calculated by the Bank of England.

BY CHRISTINE MOIR

cent rise in interim pre-tax pro-

Domestic banking provided the main impetus—average base rate rose from 7.48 per cent to

12.64 per cent between the two periods and from 10.72 per cent

at the year end-but overseas earnings also increased by 30

per cent in total. International

Westminster Bank profits rose

by 80 per cent.

earlier this year-partly due to being finalised. Saudi Arabia's extra Im barrels @ Iran is said to be ing slippage in the dollar's a day of production-companies value and from spot market are becoming increasingly concerned about fringe spot deals. For instance:

O Qatar is selling an important part of its July crude oil output on the spot market at a price reported to be \$34 to \$35 a beyrel, some \$13 over its term OPEC meeting, oil ministers agreed to a cylling price of 928.50 a barrel

next scheduled to meet in 3 Nigeria is reported to have Caracas, Venezuela, in December advised buyers that it wants to advised buyers that it wants to itself, renegotiate contracts a and Acc In spite of much central bank support, the value of the dollar is still slipping. Since early markets for part of its exports, June its value has fallen by Phytors arranging supplies of A Buyers arranging supplies of ired crude for next year have

fits compared with the 60 per 12.8 per cent last year, Mr. far had no visible effect on per-cent improvement revealed at Robin Leigh-Pemberton. Nat- sonal loan demand and indus-

The bank sector required a

high level of retentions, he said NatWest planned to write off £86m of goodwill from reserves

in connection with the recent

The interim figures included

acquisition of the Bank of North

West chairman, intimated trial demand was static,

NatWest profit up 102%

£200m

Market reaction was conled by two months of NBNA which was warnings that second half per-breaking even after funding

formance might not match the costs. The slightly depressing first, as increased operating effect that acquisition has had costs, largely salaries, clash with on free capital ratios has also

an expected reduction in mini- been offset by the benefits of

mum lending rate towards the the recent loan stock issue. Over-

end of the year.

The dividend increase was from the year end figure of 4.1

National

are far more stable now than advance of the contract deals

able on the spot market and possibly seeking prices as high as \$35 to \$37 a barrel. On the other hand. Saudi

Arabia's extra 1m h/d production is being supplied at the official OPEC prices: \$18 a barrel in the case of Arab Light crude. What is also significant to the industry is that Petromin, the state oil corporation, will market one-fifth of incremental production According to Petroleum intel-

lizence Weekly the four U.S. partners in the Arabian American Oil Company (Aramco)-Evxon, Standard Oil of Califormia. Texaco and Mobil-will been asked to par a price pre-lift the remaining 800,000 b/d mium of at least \$7 a barrel or under individual allocations

time-Mr. Leigh-Pemberton sup-

specific provisions for any given

year and general provisions

The market's assessment of these factors resulted in a 5p

rise in the shares to 355p.

Midland and Barclays have still to publish their figures. Mid-

land's shares put on 2p in the market to 362p and Barclays' remained unchanged. Lloyd's

continued to lose ground and are now 318p having been 332p

against latent risks,

Leaders of Britain's 96,000 secret ballot by 3 to 2. The warning appears to pose serious difficulties for

is absolutely no doubt there will be industrial action."

previous supplements. This is valued at about 14 per cent.

per cent from September and 3.5 per cent from November plus arbitration on a farther 10 per cent. The Electricity Council says this will add 14.4 per cent to the engineers'

workers' requirement of a

A comparable increase in the manual workers' pay bill costs might not be enough to satisfy some of the more militant manual workers, who see the engineers as having won 23 per cent over a year. ACAS talks with engineers,

electricity supply manual workers yesterday gave two weeks' notice of industrial action in the power stations after a pay offer worth about 14 per cent was rejected in a 14 per cent was rejected in a

the Government from one of the Government from one of the country's most powerful industrial groups. But there were indications yesterday that the action might be headed off by the employers meeting the manual workers claim for an increase comparable to that won by the industry's 27,000 engineers.

Union negotiators did not rule out the possibility of unofficial action be fore official action.

Mr. Frank Chapple, chairman of the trade union side, said a strike was unlikely to be the form of action chosen. But Mr. Jack Biggin, unlon side secretary, said: "If they do not come forward with a satisfactory offer which matches what they have given to the engineers then there

Any action taken would be gradual, and could include refusing co-operation, working to rule and an overtime

Unofficial estimates that the revised offer would be rejected were borne out, with 49,151 voting against it and 34,097 in favour. The majority of 15.054 was much smaller than in the previous ballot in April. Then an offer was rejected by about 3-1.

Yesterday's rejected offer gave new money increases of 55 backdated to March, with a further £2.50 a week from October and consolidation of

The engineeers' deal gives 12 per cent from rebruars, 8

Mr. Bill Prior, council nember for industrial member for industrial relations, said: "In our terms we can meet the manual comparable offer."

Sterling up to highest level since 1975

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

ling yesterday fuelled City speculation that the new £1.5bn long-dated gilt-edged issue would be well supported, and possibly fully subscribed, when

lists closed this morning.

Demand for the pound was again reported heavy, particularly from New York, and any profit-taking was absorbed.

The trade-weighted index jumped by 0.6 points to 73.6. This is a rise of 3.6 per cent in the last 10 days, and of 15.2 per cent this year. The index has moved to its highest level since October 1975.

Sterling rose by 2.35 cents against the dollar to \$2.3250, its highest close since May 1975 and an increase of 9.6 cents in

the last 10 days.

The pound has risen almost equally sharply in the last two weeks against the main Continental currencies. The rate yesterday rose from DM 4.17 to DM 4.201. against DM 4.061 at the beginning of last week. The strength of sterling helped boost prices of long-dated

gilt-edged stocks by ${\vec{t}}$ of a point after earlier gains of a point.
The rise in price has increased

FURTHER sharp rise in ster-ng yesterday fuelled City cent Treasury 2003-07, especially

as only £15 per cent has to be submitted with tenders today.

There were reports yesterday of overseas interest, but last night gilt specialists were still uncertain whether the stock would be fully subscribed.

Many large investors appear to be waiting not if this morning. to be waiting until this morning before deciding both on the size of their applications and on the price at which they will

In contrast to sterling, the dollar traded within a narrow range yesterday. The West German Bundesbank, the Swiss National Bank and the U.S. Federal Reserve appear to have unofficial support levels for the

In particular, there are signs Central Bank intervention when the dollar threatens to slip below DM 1.80; last night the rate was DM 1.8090, against 'DM 1.8115 previously.

The price of gold continued to rise in response to the dollar's problems. It increased per ounce by \$11 to \$3051, after teuching an all-time high of \$3071. Lez, Back Page

Blumenthal doubts on role of successor

BY DAVID BUCHAN IN WASHINGTON

MR. G. WILLIAM MILLER, the nomic policies intact against political pressures by the White House staff, Mr. Michael Blumenthal, the outgoing Secretary, has told close Treasury associates.

The issue of who will now dominate U.S. economic policy-making has been posed by the Carter Cabinet shake up and the simultaneous elevation of reduce unemployment, but fuel the controversial Mr. Hamilton rising inflation. Jordan to the post of White House chief of staff. The resulting uncertainty has unsettled the U.S. dollar on exchanges

A Treasury leak on Monday reported Mr. Blumenthal's feeling that Mr. Miller, at present Federal Reserve Board chairman would prove an excellent successor to carry on existing Administration policies. But it was regrettable. Mr. Biumenthal has told colleagues.

that Mr. Miller speedily accepted

the Treasury job without condi-

Mr. Blumenthal is known to newly-designated U.S. Treasury feel that it took him far too long, Secretary, may find it hard to until May this year, to establish preserve anti-inflation and eco-himself clearly as chief economic himself clearly as chief economic spokesman for the Administra1

189.

Mr. Blumenthal and Mr. Miller, who are close friends, regard themselves at one on the immediate direction of U.S. economic policy. On Monday they echoed one another's words, warning against tax cuts or spending increases that might

But the unemployment rate. forecast will rise to 6.9 per cent by the time of the November 1980 Presidential election, will be a prime political considera-tion for Mr. Jordan who, in his Continued on Back Page

£ in New York

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generous. NatWest is giving Mr. Leigh-Pemberton spoke of shareholders a 25 per cent net the inhibitions created by the increase: Lloyds handed out 35 Bank of England "corset" on Lex, Back Page

all ratios were little different

British Shipbuilders: endeavouring to keep in the launch stakes 12 Turkey: sick man of Europe again 13 Philippines: developing nation with debt problems 3 ECGD: still thriving on risky

also regarded as not over- per cent.

Management: corporate strategy for the smaller company 9 Gardening: the Canterbury Belles... 10 Lombard: Anatole Kaletsky on the Editorial comment: public spending; Afghanistan 12 Afghanistan 12
Survey: Executive cars Inset

London Wall Street — UK 14-17

For latest Share Index phone 01-246 8026

Fanfani may try to form government

not entirely unanimously, the former Christian Democrat two-week-old attempt by Sig. Premier. A mandate to Sig up to the stern conditions laid Bettino Craxi to form the first Fanfani, president of the Sen-down by the Christian Demo-

long-ruling party, the Socialist ernment aloof from party posals as "inadequate and leader finally admitted defeat squabbling. Last night he reported his failure to President Sandro Per- government in this Parliament, tough document published after-

ill-fated efforts of first Sig. Giulio solution.

Andreotti, the Christian Democrat caretaker Prime Minister, Craxi had played his last card a tolerant view of the Socialist

If Italy is to have any solid tini, leaving the country's sevenmonth Government crisis further
than ever from a lasting soluhave to be overcome, and an Foreign Minister, while key understanding reached between sections of it drew no more than All political speculation now the Christian Democrats and abstention by four other centres on the next move by the Socialists, For that reason, Sig. members of the Christian Demo-82-year-old President, after the Pertini may opt for a holding crat ruling council.

and now Sig. Craxi, to form an by presenting to his would-be bid, in sharp contrast to Sig. administration.

It is possible that Sig. Personal Democrats, Republicans tion may, whatever his misgivand Liberals—an outline prosupporters.

THE Christian Democrats yes ings, entrust the task to Sig. gramme coupled with a political terday destroyed, conclusively if Amintore Fanfani, himself a declaration of intent. Neither, however, measured

Socialist-led administration in ate, and the second-ranking crats as the price for giving up figure in the Republic, would their 34-year grip on the prime be on an "institutional" basis ministership. Last night, the rebuttal of his proposals by the course the Section of the put together a government along ruling posts the Section of the second-ranking crats as the price for giving up their 34-year grip on the prime beautiful or the second-ranking crats as the price for giving up their 34-year grip on the prime beautiful or the second-ranking crats as the price for giving up their second-ranking crats as the price for giving up their 34-year grip on the prime beautiful or the second-ranking crats as the price for giving up their 34-year grip on the prime beautiful or the second-ranking crats as the price for giving up their 34-year grip on the prime beautiful or the second-ranking crats as the price for giving up their 34-year grip on the prime beautiful or the second-ranking crats as the price for giving up their 34-year grip on the prime beautiful or the second-ranking crats as the price for giving up the contract or the second-ranking crats as the price for giving up the contract or the second-ranking crats as the price for giving up the contract or the second-ranking crats as the price for giving up the contract or the second-ranking crats as the price for giving up the contract or the second-ranking crats as the price for giving up the contract or the second-ranking crats as the price for giving up the contract or the second-ranking crats as the price for giving up the contract or the second-ranking crats as the price for giving up the contract or the second-ranking crats as the price for giving up the contract or the second-ranking crats as the price for giving up the contract or the second-ranking crats as the price for giving up the contract or the second-ranking crats as the price for giving up the contract or the second-ranking crats as the price for giving up the contract or the second-ranking crats a

Significantly, though,



Sig. Amintore Fanfani

Chemical contract wraps up wage round

A NEW contract has been tion and now chemical em-agreed for the 320,000 workers ployees have settled and the in Italy's private-sector chemical industry. It grants, among other will be able to close down for things, a significant cut in the the traditional one-month holiworking week, and virtually day next weekend without the wraps up the country's current three-yearly round of labour : negotiations

The agreement, reached early yesterday after deadlock had seemed likely, means that almost all the pieces in the wage contract jigsaw have fallen into place, after the all-important metalworkers' deal was concluded a week ago.

Since then textile, construc-

major industries of the north worry of incomplete negotiations and the menace of a "hot autumn" of unrest when the factories re-open in September.

cides with the announcement by the Bank of Italy of a substantial payments surplus (albeit than 1978's record level) of L1.395bn (£760m) in the first six months of this year.

In June alone the surplus

reached 1.242bn. But the firsthalf figure is below the L2,139bn (£1,150m) of the same period of 1978, providing further evidence that 1979 will see a surplus well down from the record L7,000bn

As had always seemed likely, the terms of the latest batch the gains made by the unions of contract settlements reflect will add up to an increase in contract settlements reflect closely the concessions wrung from employers by the 1.5m metalworkers after six months of often bitter bargaining
The chemical deal provides a

standard week of 371 hours for regular shift workers, improved rights of employees to informa- metalworkers.

a basic wage increase. For the chemical workers this will be L30,000 (£17) a month by 1981, the last year of the new contract's life. For the 1m building workers the rise is L40,000.

The question now is whether labour costs that might threaten the competitiveness of Italian products. To judge from reactions so far, subsequent contracts are considered by employers to be less onerous than the deal made with the

EEC seeks accord on oil register

Ministers decided to co-ordinate action with the U.S. and Japan before starting an EEC scheme for registering all oil deals on the international market in Rotterdam, EEC officials said yester-

West Germany and Britain argued that hasty action by the EEC alone might divert crucial oil supplies from Europe to the Far East and Caribbean markets, they said.

France called for an immediate detailed check on the amounts and prices of oil passing through Rotterdam, but the EEC Commission told Ministers it was not ready to proposals in the autumn.

In Tokyo last month, the U.S., Canada, Japan, West Germany, France, Italy and Britain agreed to limit their imports of all and check international oil deals to combat the effect of rising

oil costs. However, the Netherlands. which did not attend the .. Tokyo summit, said it wants information

The Ministers approved a five-year EEC research programme into developing alternative energy sources, which \$150m, the officials said.

Swiss top of GNP league table

with the highest per capita wholly to the massive increase gross national product, according to a survey prepared by Union Bank of Switzerland, The study said almost all countries with a per capita rate of \$1,200 or more in 1978, registered an increase in real terms in GNP. These countries showed a

nominal rise in GNP of some \$1,200bn to about \$7,790bn, and thus accounted for 90 per cent of the world's economic performance with only 35 per cent of total population. The growth of Swiss GNP per

of the Swiss franc in terms of the U.S. currency. In fact GNP measured in Swiss francs rose by only 0.2 per cent in real terms in Switzerland last year.

Kuwait showed a much smaller land, which stresses the difficulty rise in nominal GNP value to of valid comparisons in the light an estimated \$13,000, which was of exchange rate fluctuations, due to the slight decline in oil anticipates a further increase in prices in 1978.

Well below these two traditive countries on its list during

tionally leading countries in 1979. Growth is seen as likely nominal per capita terms were to be of some 22 per cent in Denmark, with \$10.948, Sweden the UK, compared with 4 per (\$10,440) and . West Germany cent in West Germany, 3 per (\$10.415). Also ahead of the cent in the U.S., whose GNP was \$9,646 per in Japan.

SWITZERLAND LAST year of no less than 39 per cent, is head last year, were Belgium replaced Kuwait as the country attributed by the bank almost (\$9,939) and Norway (\$9.849). The UK takes up twentieth position on the bank's list, with \$5,542, behind Libya and Finland and ahead of New Zealand.

> The Union Bank of Switzercent in the U.S. and 5 per cent

Mortgage debt '86% of GNP'

BY OUR ZURICH CORRESPONDENT

Kingdom, a study published by States, with SwFr 9.003. Union Bank of Switzerland The bank gives as the main shows. Mortgage debt in Swit- reason for the high mortgage per capita total of only

In per capita terms, the big-

head of population is nearly 10 being that of Sweden, with times that in the United SwFr 10,383, and the United

The bank gives as the main zerland at the end of last year volume in Switzerland, Sweden equalled 86 per cent of Gross and the U.S. the fact that the National Product, with a per amortisation obligation, particucapita sum of SwFr 21,540 larly for first mortgages, was (£5,736). By comparison, the hardly applied until the Second UK figure—of £37.3bn—repre- World War. In Switzerland sented 23 per cent of GNP and only 52 per cent of all mortgage commitments were subject to amortisation as recently as the

By comparison, French mort- per cent and that in West Gerrest mortgage debt load in By comparison, French mort- per cent and that leading industrialised Western gage debt amounted to only 6 many 6.1 per cent.

THE SWISS mortgage debt per countriesis calculated by UBS as per cent of GNP at the end of last year, or SwFr 883 per capita, and 10 per cent in Spain, where the sum per head was only SwFr 739.

> Mortgage rates differ very widely, the survey shows. Last month, first mortgages for housing were highest in Italy, at 14.8 per cent, and the UK, with between 11.75 and 13.9 per cent. In Switzerland the rate on July 1 for existing first mortgages was only 4 per cent, while the June figure in Japan was 5.5

Norway, U.K. to discuss gas-gathering plan

BY WILLIAM DULLFORCE, NORDIC CORRESPONDENT

ing pipeline project will be a earlier commission that the finance the new pipeline. major topic at talks in London pipeline was not required, tween Mr. Tryggve Tamburstuen. Minister of State at the Norwegian Oil and Energy Ministry, and Mr. Hamish Gray, his British counterpart. They will also review work on Statfjord Field, which straddles the North Sea divid-

Norway was taken by surprise when the new British Govern-ment commissioned the British Gas Corporation and Mobil to

The Conservatives' action has

pressure on Norwegian timing ment has been waiting for the results from exploratory drilling this summer on newly
licensed blocks to decide
whether it has sufficient

Mr. Tamburstuen will sound
State will also see Sir David
The Norwegian Minister of
State will also see Sir David
State will also see Sir David
Whether it has sufficient intentions on North Sea gas

Petroleum (BP). BP is understate will also see Sir David
State will also see Sir David

THE NORTH SEA gas-gather- accepted the finding of an mans have offered to help stood to have rejected the idea

The Norwegian Oil Ministry on Thursday and Friday be- thereby also killing the idea believed it could delay a decithat a joint British-Norwegian sion until the middle of next year, although companies with revived the possibility of a have been pressing for quicker joint pipeline, but has also put action. They fear that reinjection of the gas released during oil production could new British Government harm the petroleum-bearing Norwegian counterpart.

reserves to warrant construct and, in particular, its attitude

of a cross-Channel link, but the Norwegians believe a system might be worked out under which British gas could be supplied to continental buyers delivered to the British network. This week's meeting will be

the first top-level political contact on oil matters between the new British Government and its

make a new feasibility study of tion of its own pipeline to land to re-exporting Norwegian gas on whether to develop its discovery in block 7/2 on the Labour Government had the French and the West Gertage. In particular, its attraction of the reserves to warrant constitute and, in particular, its attraction on whether to develop its discovery in block 7/2 on the Labour Government had the French and the West Gertage. stood to be nearing a decision

Price rises trigger Spanish pay review

By David Gardner in Madrid

THE SPANISH consumer price index rose 0.9 per cent in June, bringing the increase for the first six months of this year to 7.3 per cent. The index has, therefore, crossed the 6.5 per cent threshold fixed by the Government as the point at which this year's wage settlements would be

The rise in the consumer price index, although an improvement on last year's six monthly figures of 8 per cent, presents the Government with a delicate problem at a time of general economic difficulties. Today the Cabinet meets to approve a medium-to long-term economic programme, already two weeks

In December, the Govern-ment steamrollered through by decree an 11-14 per cent wage ceiling for 1979, and unified opposition by incor-porating the threshold clause. which then represented about half of this year's inflation target.

The Government has yet to agree ou a mechanism for the wage review, and the two major unions—the Socialist Union General de Trabajarres (UGT) and the Communistled Comisiones Obreras (CCOO)—have also failed to come up with a joint strategy on the issue.

The Government's economic team is in favour of an automatic rise of between one and two percentage points. This would incorporate the projected rate of inflation for the whole year, without covering the effect on prices of the recent oil price increase.

Sr. Fernando Abril, Deputy Prime Minister in overall charge of economic affairs, strongly hinted last month that the Government fully intended to pass the OPEC increases on to the consumer, and stressed that wages would have to lag behind prices.

The Government's economic programme meanwhile, will make a major effort to curb this year's public sector deficit, expected to reach between Pta 400bn-500bn (£2.8bn-£3.5bn). The plan while stressing the main-tenance of growth and employment, is expected to cut Pta 190bn off this deficit.

Denmark's level off'

DANISH Industrial production is expected to level off in the third quarter, after increases in the two previous quarters, the country's Bureau quarterly business expecta-

tions survey. In the second quarter, 35 per cent of companies sald output increased, against 13 per cent which said it had fallen. For the third quarter, the same number expect output to increase, as expect it to decline.

In the second quarter employment, exports and domestic orders all increased, but while orders are expected to rise again in the present quarter, the demand for labour is likely to tail off. Preliminary foreign trade figures showed a June deficit of DKr 1.8bn (£150m) against DKr 0.7bn in June last year. First-half deficit was up from DKr 7.29bn (£609m) to

DKr 9.6bn. Second quarter imports rose by 18.4 per ceut to DKr 23.36bn (£1.9bn) and exports by 7.1 per cent to DKr 17.97bn. For the first half, imports were up 15.5 per and exports 11.8 per cent to DKr 35.75bn.

The consumer price index in June rose by 0.9 per cent and in the 12 months to June, by 8.6 per cent. This compares the 12 months to the end of last December.

Current account deficit forecast for W. Germany

BY IONATHAN CARR IN BONN

institute of Munich.

show a surplus. But IFO esti-pil had quadrupled mates that the deficit next year. It points out that in the three could be as much as DM8hn years from 1972 to 1974, real

If the forecast is correct, its than that of the 13 major implications go well beyond the Western industrial countries—current account; which shows 3 per cent at home compared the balance when Germany's with 4 per cent abroad usual deficits on services and Further, although the transfer payments have becar Deutsche Mark has already been subtracted from its traditional revalued several times, making surpluses on foreign trade.

WEST GERMANY is likely to pressure on the Bonn Governhave a current account deficit ment from other trading nations in 1980—its first for 15 years—, which have felt West Germany. according to a report released should do more to boost its today by the IFO economic economy and increase imports. The IFO study shows a IFO believes that, because of reversal of the position early in

the latest oil price increase a this decade, when West small current account deficit. Germany was able to avoid might emerge this year going into current account although the figures so far still reficit even after the price of

(£2bn), compared with a economic growth in West DM 17.5bn surplus in 1978. Germany was on average lower

surpluses on foreign trade. German prices less competitive A long succession of current abroad, the impact of this had account surpluses has been a not so far worked through to key factor in the constant affect the trade performance appreciation of the West Both factors helped West German currency. It has also, Germany build up its huge from time to time, stimulated trade surpluses of DM 50.8bn

and DM 37.3bn in 1974 and 1975 But now IFO notes that West Germany expects about 4 per cent real economic growth, while its major industrialised partners expect an average of 3 per cent. Also, the appreciation of the Deutsche Mark had compensated for virtually any additional price-competitiveness which West Germany might have gained from a lower inflandan 10 lin

tion rate: IFO also points out that the terms of trade are not working in West Germany's favour. Last year, in real terms, imports increased by 7.5 per cent and exports by only 4.2 per cent. even though the export surplus rose in nominal terms.

This year, IFO foresees a real increase in imports of 10 per cent and of exports of 7.5 per cent, bringing a cut in the trade surplus in both real and nominal terms. Next year, it feels the trade surplus will fall

Bonn 'will not limit fuel prices'

not impose price ceilings on the despite continuing protests not be used as an argument for about the rising price of petrol higher wages, but neither should and heating oil. The Federal the oil companies use the OPEC Cartel Office, however, is invess price rise to increase profits. The tigating whether the latest rise in the price of petrol, by 5 pfer-nigs a litre, was fully justified by the OPEC price increases.

Herr Otto Schlecht, state secretary in the Economic Ministry ruled out the use of orice controls in a written statement issued yesterday. He said price controls would simply be tackling the symptoms of the prob-lem; the real task was to restrain demand and develop

other energy sources. Protests about last week's petrol price increases have come from back-bench Social Democrat and Free Democrat; politicians, from consumer associations, and from unionists.

Several unions, including the Baden - Wuertemberg branch of IG Metall, the metal workers' union, the public services union and the railway workers, have demanded a supplementary

THE WEST GERMAN Govern wage increase to compensate ment has stressed that it will for the oil price increases. Herr Schlecht insisted yester-day that the oil prices should not be used as an argument for

price rise to increase profits. The Federal Cartel Office has called

in representatives of Texaco, Shell, BP and Esso to discuss

"informally" the latest price in-creases, and whether profit mar-Dr. Uwe Jens, a Social Demo- made crat member of the Bundestag crisis.

(lower house) has called for the powers of the Federal Cartel Office to be extended, to enable it to act as a kind of price com-mission, regulating oil price in-creases instead of just ruling on unfair business practice.

Herr Schlecht, hawever, said this would lead to the oil companies artificially raising prices as a negotiating stratagem. Market mechanisms remained the best way of controlling demand. providing that the oil companies made no undue profits from the

Swissair may cut flights

BY JOHN WICKS IN ZURICH

REDUCTIONS IN the amount of available aviation fuel may. lead to cuts in the services of Swissair, the Swiss scheduled airline. It says that some re-routings are proving necessary, already with new fuel stops called for, particularly on Bombay services, where only 60 per cent of last year's fuel is available.

Swissair, whose supplies of fuel in Switzerland are being held at or below last year's levels by almost all oil companies, says similar conditions new apply on almost all its network. Its charter affiliates, Balair and the Geneva-based CTA, are said to be in an even more critical

Dutch Royalty wrangle settled

BY CHARLES BATCHELOR IN AMSTERDAM

THE FORMAL constitutional Queen Juliana, who was 70 position of Queen Juliana and in April, had long opposed a after years of wrangling, and her family.

Membership of the royal house The constitution has now been defined in a Bill which will go before Parliament, although the question of ministers responsibility for the actions of the royal house will be left the subject of an informal agreement

The Dutch royal household daughters, Princess Beatrix (the Crown Princess) and Printwo other daughters, Princesses frene and Christina are not conwhen they married.

royal household has been settled have excluded Princess Margriet-The constitutional position of the royal house was known to be one of the issues which the Queen wanted settled before she

stepped down. However, rumours that she planned to abdicate soon were stopped in March when Mr. Dries van Agt. the Prime Minister, said that he has now been defined as the believed she intended to stay Queen herself, her husband on the throne for some years Prince Bernhard, her two yet The Bill now proposed largely

formalises the existing position, cess Margriet, their husbands in particular by excluding and children. Queen Juliana's ministerial responsibility for in particular by excluding royalty's actions from the legal framework. This will continue sidered members of the royal to be regulated on an informal household, since they formally basis with frequent consultagave up the right to accession tions between the Queen and



Trade gap narrows in first five months

BY OUR AMSTERDAM CORRESPONDENT

THE NETHERLANDS' foreign first five months of 1979, while an industry-wide survey showed a trade flows of first five months of 1979, while in deficit of FI 800m (£174m) in FI 9.5bn. In May, 1978, in is expected, however.

1978. Imports rose to FI 52.2bn, in June, 78 per cent of companies questioned reported that stocks were normal, compared with 79 per cent a month exports of oil and oil products, they were two small, compared with 9 per cent in May.

Office figures showed a trade flows and outflows totalling deficit of FI 800m (£174m) in FI 9.5bn. In May, 1978, imports, June, compared with 15 per cent May, but more said that a shortage of labour was hamper. deficit in May 1978. Imports by Fl 300m. shortage of labour was hamperrose to Fl 11.6bn this year, from The Central Statistics Office's ing production. In June, 16
Fl 9.5bn in 1978, while exports mentally review of industry per cent reported manpower
rose to Fl 10.8bn, from showed increased activity in shortages, compared with only

THE NETHERLANDS' foreign The deficit in the first five improvement is expected in this trade position improved in the months as a whole fell, however, quarter. A rise in foreign sales first five months of 1979, while to FI 1.3bn, from FI 1.7bn in is expected, however.

June, although no further 13 per cent in May.

The U.S. energy programme will benefit W. Germany's coal gasification industry, reports Guy Hawtin in Frankfurt

Forging ahead in the synthetic fuel race

WEST GERMANY, as the world's market leader in coal gasification technology, looks of President Carter's \$88bn protramme to develop alternative

ergy sources.

Brirs in Germany. It reached faith may pay off. But peak in terms of its There are two leading oil substitutes a day, according by trance to the nation in the German companies in the coal to West German analysts.

Card year of World War II when gasification field. Lurgi Lurgi and Krupp-Koppers, on Gesellschaften, the engineering the other hand, have both Castletic rities, produced from descinculation, the engineering the viner hand, have been considered to keep the wheels of and Krupp-Koppers, a subContyr machine turning followContyr Correct loss of the East Euro- ing concern. oil fields.

Solification has been around for ness, it looks as though that plants capable of producing

BThe basic technology for coal years in the economic wilder- involve largely experimental between one and six tonnes of

ng concern. orders for coal gasification
The Germans say they have plant have, effectively, been Edinbler the war coal-based such a clear lead in the tech-split between the two concerns. Horactic fuels were no longer nology that, for the time being Lurgi landed the order for a Franced. Mineral oil was once at least, they virtually have the large coal gasification plant Gene freely available—far more field to themselves. They are from China, while Krupp-Gleaply than the substitutes, the only people who can deliver Koppers secured the contract abouts. Gwever, although coal-based coal gasification plant for the for a 600 tonnes a day plant hithetics were eclipsed, they production of oil substitutes in sited at Rio Grande, Brazil.



currently offering. What they lose on the swings they are likely to gain on the round-

German coal gasification tech-

supplies and coal gasification plant, with an output of some benzine and diesel oil can be. The two groups fechnology is technology has been the chosen 5,500 tonnes of "synthetic" produced from the methanol to considered to be ideal for the road towards this goal.

Both Lurgi and Krupp-Koppers have designed and constructed plant in co-operation with Sasol, the South African state-owned fuel company. Krupp-Koppers put up a 1.000 tonnes-a-day capacity gasifica- that, assuming a coal price of tion plant, equipped also for \$30 a tonne, methanol can be the production of ammonia, at Modderfontain, for African Explosives and Chemical Industries, the ICI associate company.

Lurgi has developed three The salvation of West gasification plants for the South Africans at Sasolburg. Further-Production of oil sincerties in sited at Rio Grande, Brazil.

The companies which riginally developed the technology maintained both their faith in its future and the in the U.S. and about eight in as competing with the teserology they themselves are designed to the sproduction of oil sincerties in sited at Rio Grande, Brazil.

The groups are also involved in ology has been South African at Sasoiburg, Furthermore, it has also been more, it has also been more, it has also been involved in developing a competing which is poor in oil to be the petitive technology to gasification technology has been South African at Sasoiburg, Furthermore, it has also been more, it has also been in coal. For obvious political petitive technology to gasification technology has been South African at Sasoiburg, Furthermore, it has also been more, it has also been in coal. For obvious political petitive technology to gasification technology has been South African at Sasoiburg, Furthermore, it has also been more, it has also been south african petitive technology to gasification technology has been South African at Sasoiburg, Furthermore, it has also been more, it has also been south African petitive technology to gasification technology has been South African petitive technology to gasification.

nearing completion.

After the recent round of OPEC price rises, costs of fuel substitutes are becoming increasingly competitive. Krupp-Koppers, for instance, estimates produced to compete with oil at \$20 to \$21 a barrel. Current contract prices for crude oil are about \$20-\$22 a barrel.

Methanol, however, presents problems as a motor fuel. Currently, it is used in a 10 to 15 per cent mix with ordinary motor fuel because twice as much of it is needed compared with petrol for the same mile-

However, according to Lurgi, costs about \$155m. A 1,500

petrol-Sasol-a day, is now compete with an oil price of \$25 a barrel. Although this price seems high, even compared with current contract rates, the group points out that it takes four to five years to bring such a plant ino commission—from planning to production and that in that time the oil price is bound to

rise further. Capital investment costs are high. Lurgi reckons that a coal conversion plant for the pro-duction of benzine and light oil products costs between five and 10 times as much as for an

equivalent crude oil refinery. Krupp-Koppers reckons that a complete plant for the produc-tion of methanol from coal with an output of 1,000 tonens a day

tonnes-a-day plant works out at about \$210m and a 2,000-tonnes-an output of 1,000 tonnes a day day plant \$250m. A subsidiary plant for the production of ammonia costs about \$20m to \$25m more. The two groups technology is

U.S. bituminous coal deposits where coal can be extracted at below the \$30 a tonne mark. But, ironically, West Germany is unlikely to benefit, at least in the foreseeable future from its home grown processes. At \$80 to \$90 a tonne extraction costs, German hard coal is still far too expensive .

the vast deposits of brown coal in the Rhineland are ripe for exploitation. Methanol, fuel, it says, can be produced from it to compete with an oil price of \$28 a barrel

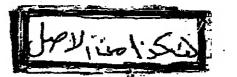
However, Lurgi estimates that

FINANCIAL TIMES published paint except Sundays and holideser U.S. subscription goes \$55.00 per annuration class postage paid at Maw York R.V. and at additional multing

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Jordan and **PLO links** weaken

RELATIONS BETWEEN Jordan and the Palestine Liberation Organisation are turning sour

Recent signs have shown that the reconciliation has cooled between the two sides, who were thrown together by their mutual opposition to the Egyptian-

Israeli seate treaty.
Au impertant hint has come from Mr. Yassir Arafat, FLO. chairman, who had previously said that the U.S. had scored some success in making Amman change its attitude—which was one of total opposition—to the

Mr. Arafat made the remark in a speech at the beginning of this mouth and repeated it in an interview published in the Leftist daily. As San, on Mon-

day. Since President Anwar Sadat of Egypt undertook his peace mission to israel in November, 1977. King Russem and Mr. Arafat have met twice, on both occasions at the Jordanian town of Al Marray on the border with

The two leaders then declared that they were setting past off-ferences aside. King Hussein, however, has adamantly rejected the PLO's request that he allow guerrillas to re-estab-lish bases on Jordanian soll.

Jordan has made it clear through a declaration by Crown Prince Hassan 10 days ago that it has no intention of joining Syria; Iraq and the PLO in an eastern military front against

Last weekend the Jordanians sponsored a congress by some of their suppoters resident in the West Bank and in East Jerusalem. It ended two days later in a resounding show of sup-port for the PLO, which is reported to have angered Amman.

King Hussein is understood to have kept his dealings with the PLO and Mr. Arafat to a minimum so as not to revive support for the resistance movement among his 1m Palestinian subjects.

King Husseln last week visited Saudi Arabia and Damascus amid speculation that he was trying to activate a new initiative for a Middle East settle-

STEEL STEEL

Israel to hand over second section of Sinai today

BY DAVID LENNON IN JERUSALEM

Egypt a second section of Sinai today, despite disagreement over the UN force which should be stationed between the two

In May, Israel vergined El Arish in Sinai to Egypt, and today will hand over a 10,000 square mile sections along the Suez Gulf coast, uprio 70 miles inland. By the end of next January, three more sections will be handed own giving Egypt control of tweethirds of

he peninsula. . -While this aspect of the peace agreement signed in March is proceeding smoothly is dispute has arisen over the MA force which is to help charce the

new arrangements. It had been agreed in the peace freaty that UN observers should be stationed to Sinai.

ISRAEL WILL hand over to But the mandate of the 4,000 yesterday in an attempt to work strong UN Emergency Force (UNEF) in Sinsi since 1975 was to have expired at midnight last night. Because of Soviet objections

to renewing the UNEF man-date, the U.S. had proposed that UNEF should be replaced by observers within the framework of the UN Truce Supervision Organisation (UNTSO). Israel rejected this because UNTSO is answerable only to the .UN .Secretary-General.

Israel wants the observers to derive their mandate from the Security Council, so there can no repeat of the incident in 1967, when the Secretary-General withdrew the UN force on the Egypt-Israel border at

the request of Egypt.

The U.S. and Israel were involved in intensive discussions

out a compromise. Meanwhile, the Israelis were going ahead with the second stage of the Sinai withdrawal, which is being arranged and co-ordinated directly with Egypt, without any UN mediation.

Reuter adds from Tel Avly: Mr. Shimon Peres, Israel's oppo-sition Labour Party leader, flew to Egypt yesterday for three days of talks with President Anwar Sadat and other Egyptian Government leaders. At Ben Gurion Airport, he

said he was carrying a personal message from Mr. Menhem Begin, Israel's Prime Minister. Mr. Peres said he would ex-plain the Labour Party's hope that the peace agreement would soon become a new political reality through the normalisa-

Warning on Soviet arms build-up

BY RICHARD C. HANSON IN TOKYO

REINFORCEMENT Soviet military forces in the Far East has started to influence the military balance between the U.S. and USSR in the Western Pacific, the Japanese Defence Agency's annual White Raper, released yesterday, warned.

The Russians are close to a rough balance with the U.S. fleet. Defence Agency officials added.

Recent Soviet moves appeared to be in response to Chinese overtures to the West, particularly the deployment of the Soviet Kiev class. aircraft carrier Minsk, and the planned rectioning of the new "hackstationing of the new "back-fire" bomber in the Far East.

Since last summer, the USSR has also placed "considerable ground forces" with tanks and ground forces with tauks and other fire power on two Islands north of Japan, Kanashri and Etorofu, which the Japanese Government claims as "infrinsically Japanese territory."

This year Japan will continue to concentrate its defence efforts crisis.

on the qualitative upgrading of South Rorea for talks with its forces, including the addition defence officials there. of early warning E-2C Hawkeye aircraft, naval vessels and ground force equipment.
The White Paper was issued

one day before Mr. Ganri much speculation over the possi-Yamashita, director-general of bility of military co-operation the Defence Agency, travels to between the two countries.

His trip marks the first time a Japanese Defence Agency director has made such an official visit, and has raised

Japan's real growth '5% this year'

BY RICHÁRD C. HANSON

JAPANESE REAL economic growth this fiscal year is expected to be 5.3 per cent, with a slowdown in the rate of expansion during the latter half, according to a projection by the Mitsubishi Research Institute.

Fiscal 1980 growth will decelerate to 4.1 per cent in real terms, but successful implementation of Government inflation-curbing policies (and moderation on oil prices next year by OPEC) should lead to a comparatively prompt recovery from the "second oil

Mitsubishi's forecasts, of 5.3 per cent growth this year (relatively high, although the official target is 6.3 per cent) projects that growth in the second half will fall sharply as inflation dampens real term spending and tighter credit policies depress investment activity.

The current account this year is expected to swing into deficit by \$700m from last year's surplus of \$12bn. The latest OPEC price increase will raise the value of crude oil imports this year by \$7.8bn to nearly \$32bn, Mitsubishi predicted.

Uganda aid conference opens today

By Michael Holman, Recently in Kampala

THE FIRST of two donors' struction of the Ugandan economy, attended by friendly Governments and international organisations, opens in Kampala today.

It takes place against a background of a serious political division marked last weekend by a partly successful call for strikes in support of ex-president Yusufu Lule, ousted in June after only two months in

The conference, which will be chaired by Mr. Jack Sentongo, Ugandan Minister of Finance, begins the country's three-part programme to revive an agriculturally-based economy devastated by eight years of neglect under the regime of Idi Amin and the war which led to his overthrow in April.

Uganda will be seeking commitments towards an emergency import programme worth Uganda shillings 880m (£63m). of basic necessities such as salt, sugar, cooking oil, soap, clothing and medicines.

The second part of the programme will cover petroleum products, agricultural and industrial needs, water services, housing and administration valued at Uganda Sh 5,171m (£369m).

The final part, to be discussed at the second donors' conference in October, will cover capital and developmental recurrent expenditure put at Sh8.6bn (£616m). The whole programme will be financed through external medium and long-term borrowings, grants and normal trading facilities. Mz.

Sentongo declared recently: "The economy is in In some areas this is literally so.

Equally serious is a more intangible loss. One of the few assets inherited by the post-Amin Administration has been dissipated by the controversial dismissal of Professor Lule. The suphoria which accompanied the end of the dictatorship has and the nation is politically divided.

BOTSWANA STRUGGLES FOR INDEPENDENCE

Classic signs of poverty

BY QUENTIN PEEL IN JOHANNESBURG

WHEN THE Queen arrives today in Francistown, Botswana, she will be at the closest point conferences to discuss recon- of her African safari to the President Sir Seretse Khama, guerrilla war in ploody Rhodesia. Refugees from the war are crossing the nearby border at a rate of 600 to 700 a month. Rhodesian security forces have attacked kraals in Botswana on numerous occasions when they suspect them of providing a refuge for guerrillas. The most

serious clash to date came when Rhodesian soldiers ambushed a Botswana defence force platoon, and killed a dozen men. Although the Queen will do

no more in Francistown than meet a few dignitaries on the tarmac and change aircraft for the flight to the capital, Gaborone, her overall impression of Botswana is likely to be of a country getting increas-ingly embroiled in the war. In southern Africa Botswana is an innocent bystander, struggling to prove its own independence, but getting caught up in the disintegration of white minority rule in the region.

A country the size of France, but with a population of only 790.000-there are four times that number of cattle-Bots wana illustrates many of the classic symptoms of a truly impoverished state: high population growth, low educational skills, and the great majority of its population involved in tradi-tion-bound, subsistence agricul-ture. Some 30,000 of its fittest young men are permanently away working in the South African mines for lack of any alternative employment at home. About 85 per cent of its imports come from South Africa, making the former high commission territory still over-whelmingly dependent on that election before the end of the country.

Nevertheless Botswana has made a determined effort to reduce her dependence on her neighbours, but only at a pace which would not create serious dislocation in the economy. The windfall discovery of diamonds at Orapa, between Francistown and the Okavango Swamps, and most recently at Jwaneng in the south, has provided the government with a good proportion of the revenues needed to taking over the railway from dice to any police action.

do this. In addition, the com- its present operators, Rhodesia bination of stubborn adherence to western-style democracy by and the conservative financial and economic policies he has the road mediator in the dispursued, have resulted in Bots- putes of the region. wana receiving more aid per capita than any other country

All this could be jeopardised by the war in Rhoderia, by the guerrilla war in neighbouring Namibia (south-west Africa). and by the danger of increasing guerrilla warfare in South Africa The most obvious de-stabilising factor is the refu-gees, which latest estimates put at between 20,000 and 21,000. The UN high commissioner for refugees is working on a fore-cast of 70,000 by next year.

The prospect of one-tenth of the population consisting of refugees is a daunting one for any government. The deteriorating security situation along the border has resulted in the creation of the Botswana defence force, a 2,000 strong body, equipped with several aircraft and with a budget for the current year of some pula 10m

Despite some sensational re-porting in the South African Press on the dangers of Botswana being swept by a new radicalism, the impression given by Gaborone and its inhabitants is one of continuing moderation, steering a course of non-align-ment between the far more powerful forces at work within the region. If that is lost, senior government officials and the man in the street realise, so will be the fruits of steady economic growth since independence. Sir Seretse has to face an

year. Nobody seems to doubt that he will once more be returned with all but a handful of the seats in parliament. Nevertheless, there are those who fear that the polarisation in southern Africa must inevitably come to this successfully non-racial society too.

Already they point to projects being planned which have a more obvious political than economic content, such as

Railways, and building a new international airport Gaborone. But Botswana still remains above all, a middle-of-

And one concern that Sir Seretse will most certainly make clear in his political contacts with the British Government is his fear that if Britain lifts sanctions against Rhodesia it will lead to an escalation, not a reduction, of the conflict.

New Zealand to limit wage rises to 4.5%

By Dai Hayward in Wellington THE NEW Zealand Government intends to limit general wage increases to 4.5 per cent for the next 12 months.

In a special statement in Parliament last night Mr. Robert Muldoon, the Prime Minister, amounced that existing wage-fixing regulations will be scrapped, Instead, the Govern-ment will introduce new laws to "influence" wages. The decision is certain to provoke angry reaction from trade unions. Many have wage claims for 10 per cent or more in the

Whitelaw probe on Tote bets

The Home Secretary, Mr. Wiliam Whitelaw, is to order an independent inquiry into the Tote's betting procedures at the request of Mr. Woodrow Wyatt, chairman of the Horserace Totalisator Board, the Home Office announced yesterday.

After allegations in the Press about the transmission of Tote bets. Mr. Wyatt is calling in the police to investigate whether criminal offences have been committed. The Home Office inquiry will be without preju-

DEVELOPING COUNTRIES FACE DEBT CRUNCH

Philippines deficit at new peak

ARE DEVELOPING countries now estimated by Arivate fore \$500m. But confidence in the loans, an increase in revolving heading for a deby crunch as a casters to be at best five per slightly longer term rests on trade credits of another \$100m result of the latest off crisis and cent and will be lower still if the assumption that the trade and a \$360m fall in the net

Most international bankers, sonfident that recycling will continue to iron out balance of entinue to from the balance of payments winkles, profess confidence. Others, including IMF Managing Director: Mr. 4. de Larcsiere, are not so sanguine for the face of developing country current account deficits. which this year will reach a new beak of at least \$50hn. Most of it will be attributable to the meddle income nations of Asia. and Latin America, which rely primarily on international capital markets to bridge their

It is not possible to generalise \$1hn.

about these countries but a Thi

close look at one of them, the Philippines, shows two things:

of the situation is quite severe and that the current deficit will rise despite sharply lower gup growth in 1979; and

2-That the burden of debt accumulated since the 1974 oil crisis is beginning to weigh heavily on the economy, pusting aside the earlier confident, assumptions that the Philippines, like some similar economies, had brushed off the oil price and sustained 5-7 per cent annual growth since 1974. The Philippines is very much

a "middling" country, in size (45m people) and income (per capita GNP of \$450 a year). Oil is a major import, but at 23 per cent of total imports it is not as dominant as for countries such as Brazil. Like most desicloping countries, it is priserily dependent on commodity exports, but has a broader range than many and also a small but fast growing manufacturing

its debt service and debt plus GNP ratios, at about 20 per cent and 33 per cent respectively, are unexceptional, Exports are equal to about 15 per cent of GNP, indicating an economy with a substantial but not alldominant external trade sector. Last year, the Philippines had a trade deficit of \$1.3bn and a current deficit about the same. Both were records, and so far this year the situation is looking worse. The first four months showed a trade deficit of \$524m before the full impact of the oil price rise had made itself fest, and a current account. shortfall of \$1.5-1.7pn for the year is now forecast, roughly equivalent to one third of total exports of goods and services.

Meanwhile other aspects of the economy are not doing well

The Philippine economy is going badly wrong at a time when it should, according to earlier forecasts by bankers, have started to show big im-provements. After all, this year the first offshore oil started to

Output is building up to 40,000 barrels a day and this year some 12 per cent of consumption will be met from domestic sources. But that gain has been more than outweighted by the magnitude of the crude oil price increase. Oil aports will probably now rise per cent from 1978's level of

This year is the first since

improvement. Last year was the best year

since 1974 for the Philippines in terms of trade. According to official rough estimates they gained 9 per cent last year as import prices were almost stable, while export prices, led by coconut oil and timber, gained. Now those terms of trade are becoming worse again and could deteriorate further if recession fears dent copper and timber prices, as

they did in 1974.

The country has been successful in recent years in diversitying exports, so lessening dependence on a few commodities. Last year electronics



PRESIDENT MARCOS: Having to cope with grewing

1975 when the Philippines will not have access to the IMF extended fund facility. The biey supply, borrowing and cal constraints imposed by the IMF under the EFF programme were supposed to have worked their medicine. But instead of having made some ogress towards medium term adjustment, the object of the extended facility and its attached conditions, the Philippines is now worse off in almost

every respect No wonder concern is evident among the cool headed technocrats who head Manila's economic ministries. Projected budget spending has been sharply cut but still leaves a larger position as revenues too large deficit as revenues too

are lagging. Domestic credit is tightening and is expected to be held to an increase of about 20 per cent, which will mean very little in

icially low to rise.

\$1.90n and the central bank has to be filled. Even last year income developing countries of growth of GNP this year is undrawn credit lines of around there was, in addition to term. Has it now lit the fuse?

exports nearly doubled to \$176m, almost as large as sugar, and garment exports have done well. But continued rapid expansion in these industries is threatened weakening demand.

However, there should be continued growth of tourist receipts and transfers from Filipine workers overseas, mainly proved fiscal administration. the Middle East. But these benefits may be outweighed by increases in interest charges on borrowings of a total debt of \$8bn probably 60 per cent is at floating rates. Government

attributed the size of the trade deficit in the first four months partly to stockpiling due to fears of oil induced price rises, tighter credit and devaluation. The limit for 1979 is \$975m

in the new commercial loan approvals of 1-15 years maturity, the same as last year. After adding in official develop-

banks, more than offsetting a \$290m rise in central bank reserves. The setting up two years ago of an offshore bank-ing system in Manila has effec-tively enabled the Philippines to step up its borrowings out-side the IMF guidelines.

Faced with a substantially bigger current deficit and nearly static term lending, the Philippines is likely to have to resort to more borrowing through the FCDUS, more revolving trade credits, and of such devices as long-term leasing of high cost imported items such as aircraft.

The Philippines has achieved reasonably fine rates and long maturities partly as a result of the DAF "good housekeeping" seal. Though borrowing from the IMF itself has not been significant part of the total, EFF and now standby conditionality has given confidence to private bankers.

But even if the current deficit stabilises at around last year's level and thus in time reduces as a proportion of total trade the debt burden accumu-lated will be felt for years to come. Though the debt is referred to by the government a borrowings to finance essential capital spending it remains in essence the financing of the oilinduced sharp setback in terms of trade which occurred in 1974 and has persisted ever since. Despite the gain in 1978,

terms of trade were still 23 per cent below the 1972 level. The debt build-up has not recapital as a whole or of spending on export or import substitoting industries. Fixed capital formation as a percentage of GNP has been static for four years and will almost certainly fall this year. The sharp improvement in capital formation which occurred between 1978 and 1975 was essentially a pro duct not of increased foreign borrowing but of vastly in-

consequences political sharply lower growth for an economy already suffering from high unemployment and pres-sure on land and other resources, are disturbing.

Externally, could be more than just a head ache for bankers. among a number of similar countries it will prove a major problem for the capital goods exporters of the developed world The willingness of countries like the Philippines to The economy are not doing well which will mean very little in maturity, the same as last year tries like the Philippines to either. Consumer price in real terms. Industrial productory and ment assistance drawdowns of last oil crisis helped to sustain ment assistance drawdowns of last oil crisis helped to sustain single figures since 1974, are there is pressure for a some \$400m and subtracting demand in the west and shorten expected to be 15 to 17 per cent devaluation.

Ioan repayments, the Philip the 1974-75 recession. But that proceed to allow prices of some front, no crisis is impending, term loans of about 1bn-1 lbn. indefinitely. In 1973 OPEC goods previously kept arti. Reserves total a comfortable That leaves a substantial gap planted a bomb under middle figally low to rise. income developing countries

ECAD CELEBRATES credit is due

ECGD has been busy building up Britain's foreign trade for sixty years. That's an impressive span of time, and their achievements have been equally impressive.

We, at Lazards, say congratulations.

Our relationship with ECGD has been long and highly successful Both from our point of view and that of our clients.

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Lazard Brothers & Co., Limited

Banks' rights in takeover lending upheld on appeal

clients has been upheld in an bility of funding for capital important ruling in the Federal ventures." Courtof Appeali n Philadelphia.

The case, involving Washington Steel Corporation and Chemical Bank, has been closely watched by the banking community following a District Court judge's decision in February that the bank had violated its fiduciary duty to its client, Washington Steel, by serving as lead bank in financing a hostile bid from Talley

The District Court judge issued an injunction forbidding Chemical from lending funds to Talley and requiring Talley to post a \$2m bond to cover any sequently be awarded.

But the Court of Appeal has overturned this arguing ina 19-page judgment that "we cannot fairly imply a duty whose sweep is as broad and whose restrictions are as severe as that urged by Washington."

Washington had contended thet Chemical's conduct was in itself aviolation of the law. The court ruled that not only was this wholly without precedent but in addition, its application was objectionable on important

The court added that if banks had a common law fiduciary petitors of their borrowers, or

THE FREDOM of U.S. banks to even just potential acquirers of banks help finance takeovers of comtheir borrowers, it "could responsibilities,
names which happen to be their wreak havor with the availaIn March F. W. Woolworth panies which happen to be their wreak havor with the availa-

> The case was returned to the District Court for a determination of damages. Since Washington launched

other targets of hostile takeover the same allegation against have based legal challenges Citibank involving a hostile bid partly on allegations that their from Paccar Inc.

levelled the charge against the Canadian Imperial Bank of Commerce, which was financing an ultimately unsuccessful bid from Brascan Limited of Canada. Last month, Harits case against Chemical, two nischfeger filed a suit making

Foreign banks proposal

RESPONDING to the fastgrowing foreign banking presence in the U.S., the Federal Reserve Board yesterday put forward proposals to subject them to the same non-interest-paying requirements domestic banks.

At the moment, U.S. branches of foreign banks do not have to put up reserves on their deposits, a privilege which gives them a competitive edge over U.S. banks.

The Fed's proposals, which follow last year's Inter-national Banking Act. would subject the branches of foreign banks with assets of more than \$1bn to reserve requirements ranging from to 16; per cent of demand deposits, depending on the size of these deposits, and from 1 to 6 per cent on time

would also enjoy new benefits, chief among them access to the Fed discount window (where funds are available at below market rates) and use of various Fed banking services at no charge. The foreign banks would be given two years to adapt to the new

Membership of the Fed is not compulsory, and many small banks have been leaving the system to avoid having to put up reserves, a trend which the Fed says has weakened its control over credit policy.

As part of a drive to combat this trend, the House of Representatives last week voted to impose universal reserve requirements if and when the proportion of bank deposits subject to Fed requirements falls below 67.5

Soares leads Nicaragua mission

BY HUGH O'SHAUGHNESSY, LATIN AMERICA CORRESPONDENT

former premier, is to head a being actively considered. An mission of European and Latin official from the British em-American Socialists to bassy in San Jose left yester-Managua. The move is aimed day for Managua on a fact findat demonstrating support for ing visit. Meanwhile, the RAF the large social democratic ele- Hercules transport was conment in the Sandinista Govern- tinuing to ferry relief supplies ment and a willingness to assist from Panama to Nicaragua. it against any attack by extremists of Right or Left. Sr Eduardo Kuhi, a roving

envoy from the new Government is currently visiting Europe and has been emphasising the social democratic leanings of many guerrilla and civilian elements in the Managua Administration.

He attended the meeting of party leaders of the Socialist Managua on a consensus basis, International held at the weekend outside Stockholm. The the mission.

Apart from Sr. Soares the delegation is expected to in-clude Herr Alwin Brueck, Parliamentary State Secretary at the West German Ministry for Economic Co-operation, and members of the socialist parties in Austria, France, the Nordic countries and El Salvador. The Spanish Socialists have already sent a mission to Managua.

There is some determination among the parties represented that the Managua Government should not be obliged to depend on help from Cuba or other members of the Comecon bloc. In London, the Foreign and

Sr MARIO SOARES, the Portu- British recognition of Socialist leader and Sandinista Government William Chislett adds from

> rillas have quickly moved to fill the power vacuum created by the collapse of President Somoza's National Guard and the urgency of getting the ruined country back to normal. While the provisional junta of "national reconstruction" is running the country from

Managua: The Sandinista guer-

dinistas alone are in charge. Because no one else can organise the people, the Sandinistas are controlling petrol stations, food distribution, repairing of damage and permits to leave the country.

in the rural areas the San-

"Militia" patrols stop cars, wanting to see credentials and barricades still litter the roads along with the shells of burntout vehicles. In the rural areas, youths wielding hunting rifles patrol the barricades.

The guerrillas have taken over local government buildings and set up "work brigades" and "cleaning brigades." Esteli, for example, used to have a population of around 20,000. but is now a ghost town of probably 1,000; the rest have Commonwealth Office said that fied to the hills, to Managua, or representative."



Sr. Scares . . . backing Sandinista moderates

have been killed in the fighting. Gradually people are tions in its peaceful revolution returning to their homes. In Leon, the country's first liberated area. "civil defence committees" have run the town during the heavy fighting and

The junta is likely to start to decide what to do with the captured guards and refugees this week. Officially, the majority are to have the opportunity to return to civilian life. and only those involved in grave crimes will be brought to

trial. prisons" for some captured guards where statements are being taken before a lawyer, a Sandinista, and a "people's

U.S. officials to go to Vietnam

VIETNAM has agreed to allow U.S. consular officials to go to the country to process visas for refugees wishing to join their fights organised by the State provided Vietnam with the families in the U.S., it was administrated by the State provided Vietnam with the administration of the country to process visas for conference, would be similar to entry. The U.S. had previously provided Vietnam with the names of some 5,000 people beautiful to be eligible for U.S. arrangements, which could in- of the refugees at least of the clude U.S.-chartered aircraft hardship of boat journeys across airlifting people out of Vietnam. the South China Sea. are still being discussed through the United Nations refugee office, the State Department

Vietnamese or ethnic Chinese matic recognition.

The arrangement, agreed by with close relatives in the U.S. visas, but only a tiny handful of these had claimed that right. The State Department empha-

The job of the consular officials would be to identify those not confer any kind of diplo-

Carter rival concerned over conservation

Kennedy energy warning

BY DAVID BUCHAN IN WASHINGTON

into the Senate next week an alternative to the Carter energy programme, which would be based primarily on conservation and would eschew the Adminisdevelop synthetic fuels.

Claiming that his plan could save up to 4m barrels a day by 1990, the Senator, in an address to the National Urban League in Chicago, warned that the Federal Government should not repeate with synthetic fuels the mistake it made with the drive to develop nuclear power.

Many environmentalists have expressed concern about the create an Energy Security Coring. Total sales, including of this year compared with the imports, tumbled 32.2 per cent same period in 1978. This slide to over the next decade to sink in June compared with a year has occurred almost entirely in into coal gasification and lique-

action, and oil shale projects. turers with swollen inventories pares with a much more modest With the Massachusetts Sena and the need to slash autumn 2.6 per cent drop in all car faction, and oil shale projects. tor, who has long led Mr. Carter production schedules.

number of Cabinet heavy-

SENATOR Edward Kennedy clearly on 1980 Presidential Harris, herself black, and Mr. has said that he will introduce politics.

Michael Blumenthal, the out-The Administration fielded a going Treasury Secretary. But despite this effort, which weights to address the black included an appearance by Mrs. delegates, including Mr. Cyrus Rosalyn Carter, the League Vance, the Secretary of State, declined to issue any endorsethe newly designated Secretary ment of President Carter and of Health, Education and Wel-decided instead to sit on the fare, Mrs. Patricia Roberts fence.

Truck sales plummet

turers with swollen inventories

in the opinion polls, attacking There are only two sources of But domestic manufacturers the President's foremost policy comfort in an otherwise bleak are suffering worse than platform on energy, the focus prospect: demand for domestic importers in both categories. of this week's meeting of the and imported small pick-up Their six-month truck sales are

TRUCK SALES in the U.S. are ning well ahead of a year ago. continuing to plummet under Nevertheless, sales of all the impact of the petrol short-sizes of trucks, including imports, were 10.8 per cent age and falling consumer spend- lower in the first six months ago, leaving domestic manufact he second quarter and com-

sales. National Urban League, a pro- trucks is soaring while heavy- down 16.5 per cent and their car minent black organisation, was duty truck sales are also run- sales 9.3 per cent.

Guyanese violence alarms ruling party

By Our Georgetown

IN A pre-dawn attack on July 11 a group of armed men in army uniform, after overpowering the guards, placed bombs in a large three-storey building in Camp Street, Georgetown, site of the Ministry of National Development and the Secretariat of the Ruling People's National Congress (PNC).

The ensuing fire burnt out the building, along with a similarly large adjacent structure housing administrative offices of the Guyana Sugar Corporation (Guysuco). Three days later, Father

Bernard Darke, an English-born Jesuit priest and teacher, was fatally stabbed in a brief flareup of street violence after court appearances of three academics who were jointly charged with arson in connection with the destruction of the two buildings. One of the accused was Dr. Walter Rodney, a noted Guyanese historian; Father Darke was stabbed

while taking photographs for the Catholic Standard newspaper, and a colleague was beaten. Ouiet returned quickly but these incidents may have drastically altered the chess-board of Guyanese politics.

Anniversary

Three aspects immediately caused alarm bells to sound for the authorities. First, the raid came on the first auniversary of last year's controversial referendum, which removed the con-stitutional hurdle to the postponement of general elections by 15 months, keeping the rul-ing PNC in power to allow for the drafting and introduction of a new constitution. All opposition groups, regard-

less of ideology, opposed the referendum. Critics said the an-nounced results reflected a voter turnout of more than 70 per cent, as compared with the opposition claim that it was between 10 and 15 per cent. The Government got a favourable poll of more than 90 per cent. The assembly drafting the new constitution is being boycotted by the major opposition party, the Marxist-led Peoples Progressive Party (PPP) and by the Council of Churches, but not by the Trades Union Comnot by the Trades Union Congress and the right-wing United Force (UF), the minor opposi-

Second, the target of the attack was probably the most sensitive political institution in Guyana, a unique one combining a Government Ministry and the ruling party's secretariat. The ruling party justified this combination saying there was a

need to experiment with institu-—its effort to reconstruct society along socialist lines within the confines of an Westminster-type democracy-and to allow for administrative flexibility in a campaign to moblise Guyanese for national development. Opposition groups maintained it was a cover to channel Govern-

ment funds into party work. Third, the nature of the attack itself has given rise to some speculation whether it was the work of army dissidents or per-sons with a close working knowledge of the army, which would be equally had.

In the former, then the

Government of Mr. Forbes Burnham, Prime Minister for the past 15 years, has a new and really serious problem on its hands, that of a threat of urban terrorism under the cover of army uniforms.

The ruling party reacted with anger to the attack. Its official New Nation newspaper organ insisted that "we are at war." Taking a more restrained approach, the Government seemed to treat the matter more legally than politically, making arrests after raids under the National Security Act and placing suspects before the court.

Militant

But among these taken in for questioning and subsequently charged are noted members of the militant Working Peoples Alliance (WPA), a pressure group about to become a political party and which has counterparts in many Carib-bean islands where left wing politics have been on the increase. The best known of those arrested and charged is Dr. Rodney, who has been unable to secure a job at home, was banned from entering some Caribbean islands, and has emerged as a hero of sorts in the eyes of some Government

The WPA responded with constant prolonged picketing outside jails where its people were held and staged a noisey protest demonstration outside the magistrate's court where Dr. Rodney and the others appeared. Despite prosecution objections they were released on

When tensions began to rise and a showdown of some sort loomed, an entirely new dimen-

Overseas sales of Scotch whisky decline by 7%

EXPORTS of Scotch whisky fell market for Scotch. by more than 7 per cent to 45.7m proof gallons in the chairman of the information markets." first half of 1979, the first drop committee of the Scotch Whisky The association is awaiting used to a rising trend in exports, but it was hit this year by the lorry drivers' strike, which closed some distilleries and bottling plants in January. The figures also suffer in comparison with 1978, which was an exceptionally good year for

market for Scotch. eliminating the many barriers
But Mr. Ian Coombes, the which inhibit growth in many

in overseas sales for many Association, said in Glasgow the hearing by the European years. The industry has been yesterday that higher prices had Court of an appeal by the contributed to a rise of 5.5 per Distillers Company, its largest cent in the value of exports in member, against a European the past six months to £309m. Commission ban on dual pric-"Because last year was ing within the EEC.

exceptional, I have compared. The han, which led the com-this year's results with those pany to withdraw some brands for the same period of 1977; from the British market, effec-They show an increase of 6 per tively prohibits the sole cent over the two years, which distributor system, which the is much in line with the rate of whisky industry maintains is exports, helped by a rush by cent over the two years, which distributor system, which importers to fill their ware is much in line with the rate of whisky industry maintains is houses in advance of the export growth that we have achieved essential for its export trade.

Over recent years, which distributor system, which distributor system, which is industry maintains is much in line with the rate of whisky industry maintains is growth that we have achieved essential for its export trade. Frankly, this is not an excitation as the gravest threat faced

January 1.

The high level of stocks ing growth rate, and it is well by the industry, and already abroad that this brought about below our true potential. We some European distributors has contributed to a drop of 25 are not likely to realise that were neglecting Scotch for the per cent in shipments to the potential, however, until some promotion of more prefitable. U.S., the largest overseas progress is made towards products.

Ford optimistic on car demand

FORD FORECASTS that world

The told the Automotive News "see the self-dereating discourses will rise by around congress here that the "rational advantages of erecting artificial and there should be a strong continuing demand for trucks as well of responsive and fuel-responsive and fuel

the world anomotive industry to produce and sell more than 40m vehicles, according to Mr. ponents."
Donald Petersen, executive vicepresident for Ford Interimportant national Operations.

The new type of passenger vehicles which will predominate in the 1980s will not be "world cars," but rather "rational cars," insisted Mr. Petersen These would, by the end of the next decade, "make obsolete almost every passenger car manufactured in the 1970s."

Hoover wins

£2m order

from Egypt

HOOVER of the UK has won an

order to supply sets of parts

of Hoover Junior cleaners for

assembly in Egypt Hoover

engineers will assist setting up an assembly line in Cairo and

the first cleaners are expected

The contract between Delta Industrial Company and Hoover

is worth over £2m. The order

tition from Japanese, American,

The Irish Industrial Develop-

ment Authority's latest annual report, shows that in 1978 the

IDA paid £87.5m in grants to industry, and promised £154.5m

in grants to new industries. The

new industries negotiated last

year are expected to create

eventually more than 30,000

Eighty overseas companies locating in Ireland for the first

time will contribute £150m of the £392m investment; a further

sions by overseas companies

already established in Ireland.

n fixed assets in Ireland.

French and UK companies.

IDA's record year

was won in the face of compe

to be on sale in Egypt before

the end of the year.

This year the group expects sible vehicles, internationally linked by many common and interchangeable parts and com-

> important ways governments should act to pave the way for the "rational cars." There should be hermonisation of vehicle-testing standards worldwide. This would represent agreat step forward in eliminating many of the barriers that now inhibit the free flow of And governments should also or even pertnerships.

the eight car manufacturers currently producing around 2m nterchangeable parts and chine a year would actually remain onents."

"contestants in the world the suggested there were two market battle of the 1980s."

companies were going to survive only in marginal or protected could afford the astronomical costs of developing new models without associating with larger companies or turning directly to government for loans, subsidies

Soviet contracts signed by two Italian companies

MONTEDISON, the fishin beef factory and four plants for chemical and petrochemical the production of special 200-concern, has won a 1.500m, technical food and regenerated concern, has won a 1.50bit technical food and regeneralist (198.3m) contract from the milk.

Soviets of build a leather day.

The pig factory is to produce factory in the city of twate-factory in the city of twate-factory year while the baby beef factory Ukraine.

The plant is to produce 2.000 • The Bristol company, Masson tonnes of dye per year and will. Scott Thristel Engineering a be built by Techning, a subsidiery company with Montredison has won contracts. Totalling

diary company with Montedison has won contracts totalling supplying the machinery and nearly £900,000 from the Soviet equipment. The dye is to be Union for replacement rotary used in shoes clothing and cutting equipment used in other consumer goods. The learther dye contract announced yesterday.
was signed with the Techmash-

import Soviet foreign trade organisation and was the second major contract of its kind signed by Montegison in the past two In 1977, Montedison signed a contract to build a leather dye

plant in Tambov, near Moscow. That plant was to produce 4,000 tonnes of leather dye per year, and the contract had a value of L75bn.

The contract was signed with struction of a pig and baby each vessel.

Meanwhile GEG of Italy has signed a contract worth \$23m

for the construction of livestock breeding and agricultural com-

gravure printing presses, it was New engines for container ships

STORK-WERKSPOOR of the

Netherlands has won a FI 45m (£10m) contract to re-engine four gas turbine container ships for operation by Seatrain Lines of the U.S., our shipping corres-pondent writes. The conversion, being carried out on fuel economy grounds, is to be execu-ted at the Howaldtswerke-Werft shiprepair yard in Hamburg. It is the largest order received so far for the Stork-Werkspoor nine-cylinder TM620 engine: two Tractorexport and calls for con- of which will be required for

Many smaller, specialised

nation's most prominent expitalists so that their shares could be sold to the people. Such industries will be nationalised only in the sense that their management will be to the heads of evil servants.

in the hands of civil servants but even this will be shared with workers' committees, the Foreign companies which had

joint ventures in Iran with members of the list of 51 big capitalists whose shares were taken over report that they have received no notification on their status but have heard from some sources that they also may be allowed to retain their-shares

Sales of Australian grain, sugar and iron ore to China would probably centinue at sub-stantial levels for the next ten years, Sir William McMahon was told in Peking yesterday, our Peking Correspondent writes. The prediction was made

ECGD'S 60th ANNIVERSARY

Still thriving on risky business

Department yesterday notched ing which it has skilfully, with little apparent error in judgment, walked a tightrope between Government and commer-

As the only British Governit has a unique position, zeaofficials, past and present. Its reputation is high both at home and abroad and, despite the sometimes staggering complexities of its business, it is as

Historically, relations with the Government of the day have been changeable, usually in direct relation with the amount of interference, and Whitehall battles have been won and lost. Considering the size of ECGD's insurance commitments over the years, claims payments

have been minimal, with some

notable exceptions such as the

Brazilian exchange collapse in the early 1950s, which cost nearly £30m in claims. The development of the department to the present day is outlined in A History of ECGD: 1919 to 1979, which is published to coincide with its anniversary. It traces the introduction of its many and varied insurance schemes, some phased out and

THE Export Credits Guarantee facilities, on the best possible term credit had been regarded. The main restraints on terms, depended on securing sufficient annual turnover of business. This led to the widening of insurance cover and the introduction of the comprehensive policy.

Since then the Department has cleared numerous hurdles ment department directly in in providing supposedly risky Scheme, providing cover on volved in the business of risk services, each considered at the credit of up to two years, and

with extreme suspicion, par achieving this are seen as the ticularly by the banks, which lack of a common currency and believed five-year loans to be the various national predelicexcessively long. But faced with , tions for doing things their own the international challenge, opinions changed. In 1955 the department was believe there will be great ble to offer its Extended Terms changes as advanced developing able to offer its Extended Terms

In the year ended March 31, the value of UK exports insured. by ECGD rose to more than £14.5bn, 12 per cent higher than the previous year, and maintained ECGD's 33 per cent share of all UK exports. Claims paid by ECGD also reached a new peak of £134m, a 42 per cent increase over the previous 12 months. The number of UK exporters holding ECGD appropriate 13 212 an increase of the highest level agent at 13 212 an increase of the highest level agent at 13 212 an increase of the highest level agent at 13 212 an increase of the highest level agent at 13 212 an increase of the highest level agent at 13 212 an increase of the highest level agent at 13 212 an increase of the highest level agent at 13 212 an increase of the highest level agent at 13 212 an increase of the highest level agent at 13 212 an increase of the highest level agent at 13 212 an increase of the highest level agent at 13 212 an increase of the highest level agent at 13 212 an increase of the highest level agent at 13 212 and 12 a guarantees was the highest level ever at 12,318, an increase of over 600 policyholders in a year

capability, but with hindsight five years. Now, as then, the seen as comparatively modest. world's credit insurers continue.

"We did a lot of agonising to examine ways of pushing the in the old days," explains Mr. frontier outwards.

Ken Cotterill, Deputy to the ECGD recognises anything.

Secretary of the Department beyond five years is still In the 1950s and 1960s we dangerous, and some within the thought we were living in a department believe that the very complicated world, but we whole ECGD system is being don't seem to have time to stretched to its limits now, as agonise these days."

learning the truth about its. Despite the actions of the position in the commercial Berne Union, which Britain world. As the economies of joined as a founder member in

time to be near the limit of its. it was eventually extended to

gonise these days." are export credit organisations.
At that time Britain was in other countries.

moderate takeover programme NATIONALISATION of banks and industries in Iran may not

Iran may

mean a complete takeover by the state as earlier envisaged. Government officials said this week that small shareholders may be allowed to retain their shares in banks and that shares in many industries which have been taken over may be offered to the public. At the Central Bank of Iran annual meeting this week the Bank Governor, Mohammad Ali

Mowlavi, said that shareholders in Iranian commercial banks, which were declared nationalised on June 8, had been divided into three groups: large shareholders, small and medium sized shareholders and foreign shareholders. He said that the large share-holders would not receive any

compensation from the Govern-ment because they already owed more to the Government than the real value of their shares. Foreign shareholders, he announced would be fully compensated according to the foreign investment law of Iran However, they would not be able to continue their participa-tion in the fosition banking system. Mr. Mowiavi said foreign bankers would be invited to set up a consortium to invest in Iranian industry and agriculture

In the case of the third group of shareholders, Mr. Mowlavi said no final decision has yet been reached. The Government might offer these small shareholders compensation or it might allow them to retain their

The nationalisation of industries announced on July 5 is also being interpreted as meaning Government control and management rather than Government ownership.

The Minister of Industries and Mines, Mahmoud Ahmadzadeh Heravi, said this week that the Government had week that the Government had taken over the holdings of the

The nationalisation of indus-

China-Australia trade talks

by Mr. Sun Sochag, a direc-tor of the Chinese Foreign Trade Ministry Purchases from Australia China's fourth-largest trading partner, had reached, a value of \$900m last year, he was told.

In terms of world trade, they

nations, such as Brazil, South

Korea and Mexico become fully industrialised and powerful trading nations. The poorer countries may become a social as much as a trade guestion.

ECGD accepts that while Britain was once near the centre

of the industrial world this is no longer se. However, the future of ECGD is tied to Builtsh industry, and it will give all the support it can, although

ECGD is uneasy about certain aspects of cover such as buyer credits, which sometimes creak

under the strain put upon them in order to support UK manulacturers, competing for the limited number of major projects now of offer in the world. The continued use of the majoring itself in the world.

The continued use of the matching docfilme, which has led to verious countries lead-irogsing each other on credit terms is now seen as approaching a point where it is against the laterests, of exporting rountries.

In the U.S. a strong anti-

iver's sea adtilt. In term ajorroad ancia. The

subsidy feeling in Washington competes with the desire to do loomed, an entirely new dimension was added by the stabbing of Father Darke. His death had an instant sobering affect, serving to remind of the consequences of violence which had been becoming more frequent over the past year.

It brought an instant allegation from the alliance that the ruling party was plotting to assassinate Dr. Rodney, other leaders, some trade unionists, and journalists and lawyers, a charge dubbed as "ludicrous" by the PNC.

Schemes, some phased out and quickly forgotten, and others of district and output the department of its early losses, and journalists and lawyers, a charge dubbed as "ludicrous" by the PNC.

Schemes, some phased out and quickly forgotten, and others of loined as a founder member in the competition more in U.S. disports. As the economies of joined as a founder member in the competition more for U.S. disports. As the economies of joined as a founder member in the competition more for U.S. disports. As the economies of joined as a founder member in the competition more for U.S. disports. As the economies of joined as a founder member in the competition more for U.S. disports. As the economies of joined as a founder member in the competition more for U.S. disports. As the economies of joined as a founder member in the second and west Germany. 1934, international competition and the final dustricts of the international competition and the final dustricts of the international competition and vest Germany. 1934, international competition and vest Germany. 1934 to the international competition and the sale to to competit and longer terms. The international finance.

One of the main architects of post was calle

The qu elegam Tobeg ilt the d

lothing I espec The in ick pile c wis beau ich can mort an

Mare cov The fabric The standows el

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Itrelaxes you on the M6. Impresses you on the A38. Excites you on the B4012. And attracts admiring glances in Regent Street.

The quite exceptional car we refer to is the elegant and stylish Gamma Berlina you see pictured here.

To begin with, we have unashamedly spoilt the driver and his passengers. (In particular, it is our belief that if a driver lacks for nothing, he will feel more relaxed and alert, especially after long journeys.)

The interior is extraordinarily roomy.
Thick pile carpet is fitted door to door. The roof is beautifully quilted. And the seats, which can carry five adults in extreme comfort are contoured and thickly padded. In addition, they have adjustable head-rests and are covered in an elegant and luxurious cloth fabric.

The steering wheel is adjustable, the windows electrically operated and the driver's seat can be adjusted for both height and tilt.

In terms of performance, especially on major roads, the Gamma is a thoroughbred Lancia. The powerful 2.5 litre boxer engine gives impressive acceleration when you need to overtake, with a smooth 5 speed gearbox, as well as a top speed of over 120mph. Like every Lancia, the Gamma has front-wheel drive for impeccable handling and roadholding on the twists and turns of winding country roads.

Steering is power assisted and should you meet a flock of sheep en route, dual system brakes provide exceptional stopping power. Which means that the Gamma handles like a car half its size.

Finally, we feel certain that the restrained elegance of the Gamma Berlina will not go unnoticed in the traffic jams around town.

You will be relieved to know that this car carries a very sensible price tag which will not deter even the most austere of financial directors. (You might mention too,

that the new 12,000 mile service intervals practically halve servicing costs.)

If you would like to test drive the Gamma Berlina, talk to your Lancia dealer. He'll be happy to prove that the claims we make for this car are a refreshing reality. At the same time ask him about our special leasing schemes, which offer some striking financial advantages.

Or if you are eligible to purchase a Lancia free of taxes, contact our Export Department.

LANCIA The most Italian car.

Lancia (England) Ltd., Alperton, Middlesex. Tel: 01-998 5355 (24 hour sales enquiry service).

Price includes car tax, VAT at 15%, inertia reel seat belts and delivery

charges on UK mainland, but excludes number plates,

metallic paint and leather upholstery.

The Lancia Gamma Berlina. £7,598.34*



Britain's international com-

petitiveness had recently wor-

sened dramatically, Sir John

said. Since 1979 unit labour costs had risen by 25 per cent more than those of overseas

At the same time there had

been a very big shift out of

profits into wages. However, the present economic climate

was one that would reduce companies' ability to pay higher

Sir John said that with high

in the Retail Price Index did not

produce a reaction that pay increases of the same order

begin fertiliser manufacture in

Britain, at a new factory in

The company has agreed on a

granular materials to produce Highest

site with the local authority, and

Wrexham, North-East Wales.

amounnis-based fertilisers.

BY PAUL TAYLOR

Estate to increase its net income

competitors.

Retail prices

FINANCIAL TIMES CONFERENCE: BUDGET 1979

than half that amount,

Profits warning to industry

savings and investment rather Confidence than consumption. "Since

overseas capital markets. These figures took no account

than consumption. "Since savings and investment are quite largely what the City is

about, there can hardly be any

doubt regarding the City's

City thought the Chancellor did a good job in the Budget for

the following reasons:

Kaiser Aluminium will open

Chemical Corporation, of Oak- London sells some production, attract the highest rate of supland, California is planning to to other farming markets, in- port for industrial projects now

The development would be

Kaiser's second major invest-

ment in Wales. The company

was one of the three original

fertiliser factory in Wales

cluding Europe.

is expected to make a formal shareholders with Rio Tinto-announcement shortly. The Zinc and BICC in the 100,000-

announcement shortly. The Zinc and BICC in the 100,000-company declined to give tonnes-year Anglesey Au-details yesterday of likely out-minium smelter set up in 1987.

put or employment at the plant, and following BICC's with-

but it is understood that produc- drawal acquired a majority tion will involve blending of shareholding.

Kaiser is one of the world's The fertilizer project was six big aluminium companies, under discussion with the local but is also involved in a range authority before the recent

Foundry industry urged to seek Government aid

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

LEADERS OF Britain's foundry industry will today consider a scheme getting off the ground way remove 100,000 tonnes, the whether to seek Government aid must be slim. The trade unions council forecasts 20 per cent to "avoid the worst effects of at today's meeting are expected spare capacity. uncontrolled decline in foundry to be suspicious of any plan to contract the industry.

The recommendation will be put to the Economic Develop-

put to the Economic Development Committee for foundries
by Mr. Tom Kilpatrick, its chairspending, is likely to show little
and public
expand demand. The industry
aid schemes were introduced
on the unrealised assumption warns that on current forecasts of decreasing demand another however, that the industry is per cent a year. 200 or more fron foundries could not asking for an increase in

in the past, "resort to a desthe ferrous and non-ferrous perate policy of suicidal price-foundry industries will not be cutting," he says. This would taken up. He will suggest that reduce general price levels, any shortfall could be directed although profits were already to a scheme for restructuring

FINANCIAL TIMES REPORTER

MORE THAN 3.000 members of

Equity, the actors' union, yester-

day marched through London's

West End in a protest against increases in VAT and cuts in

Arts Council grants and public

In its Budget the Government announced reductions of about

£5m in the arts, most of the

savings coming from cut-backs

in housing the arts. But the Arts Council also had its 1979-80

budget reduced by 2 per cent,

or £1.14m. As a result its

beneficees are being informed that their grants are being cut

by 2 per cent across the board.

This cut-back is a double

blow for the subsidised theatres, orchestras, ballet and opera companies because they have

also been affected by the rise

in VAT on ticket sales. The VAT rises have caused problems

too for the commercial theatre,

Sir Ralph Richardson, aged

76, who took part in the march.

said: "Live theatre in Britain

is acknowledged as the best in

the world, yet we are among the

"The Scrooge-like cuts by the

Government will only worsen

what is aiready a critical situa-tion. It cannot continue."

Peter Plouviez, said: "We have

been struck by a triple blow-massive VAT increases allied

with cuts in the Arts Council

The marchers lobbied Parliament, and a deputation led by

Mr. John Barron, Equity's presi-

Prime Minister, Mrs. Margaret Thatcher. She was urged to take

action to prevent damage to live

nised the need to meet their

responsibilities to the arts, the

extent to which the live arts

were being supported by the

state and local authorities still

railway equipment:

5 LINE RUNNERS

maintenance purposes)

General Conditions

2 TIE-TAMPING MACHINES

22 DIESEL ELECTRIC LOCOMOTIVES

Purchased between 1956-1963.

3 in 1927 and 1 in 1944.

4 ELECTRIC SHUNTER LOCOMOTIVES

General Motors engine. Purchased: 1963.

1939, 1 in 1959, 1 in 1957 and 1 in 1975.

enquiries regarding the equipment on sale.

Most of the equipment is operable.

July to 27th August, 1979.

arts and entertainment.

grant and local government EEC.

Equity's general secretary. Mr.

especially in the West End.

Crisis point

iost undersubsio

spending."

However, the chances of such tonnes. Even if closures under

Mr. Kilpatrick will argue, that growth would be about 31

funds. He will point out that cerned that spare capacity \$120m in Government grants througout Europe is contributclose by the mid-1980s.

Apart from the loss of jobs, struggling companies might, as available under schemes to ald

vital to British industry.

Mr. Kilpatrick suggests that Government help should be aimed at minimising price-cutting and alleviating "hardship to employees, who, without an alleviating to be alleviating to be alleviated by the council of Ironfoundry Associations has forecast that demand for castings in 1985 HALMA, environme industrial and the same time.

ship to employees, who, without stimulated by the Government of a new subsidiary company, an aid scheme, might suffer aid scheme, is expected to inmore through an uncontrolled rundown of the industry."

At the same line, taggetty, introduced the total and stimulated by the Government of a new subsidiary company, S & P Coil Products which will crease by 300,000 tonnes, creating an october 1, 1979 ing a surplus of about 600,000 from a site in Leicester.

Actors appeal to Premier in

protest against cash cuts

man to testify in

be halved this year, Sir John Greenborough, president of the middle management had not yet Confederation of British Indusreceived the pay and tax treatinternational business.

try, said in London yesterday.

ment they deserved. "We have. A strong pound reditry, said in London yesterday.

The said a Firenated Times got to do more for them to rise in the cost of live

The underwriter is Mr. Edward Street-Porter, and he will have to answer questions on oath put by Federal principal, as yet unnamed, will also be required to answer questions.

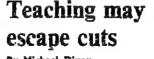
Federal is claiming \$28m in unpaid claims from Lloyd's as part of its action and \$600m in damages. Federal has also named a number of insurance

Computer leasing insur-ances were arranged by leas-ing companies to insure against their customers terminating leases earlier than the contract date. If they did. the computer leasing company eould claim on its insurances and cover its obligations to the financial institutions which

The 55 Lloyd's underwriting. syndicates involved have been given until August 13 to answer Federal Leasing's complaint, but there have been moves by Lloyd's lawyers both sides of the Atlantic to arrange for a later date for

reply.
Lloyd's underwriters are also being sued by Bank of Lincolnwood of Chicago for \$10m punitive damage claims. Bank of Lincoluwood's action arises from the computer husiness and an action which

seeking to recover money from Federal in connection with its leasing incurance armneements at Lloyd's. Federal used its Lloyd's computer leasing policy as collateral for loans it arranged with Bank of Lincolnwood to finance its operations.



By Michael Dixon, Education Correspondent

PLANS TO protect teaching and other central educational work from the effect of the £400m cuts required by the Cabinet in the 1980-81 education budget will be disclosed to local authorities by Mr. Mark Carlisle, Secretary for Education and Science, next week. Mr. Carlisle wishes to find the savings largely from ancil-

lary services, particularly school meals where he hopes to balve the present annual subsidy of nearly £400m by freeing local tion to sell the meals at only

than 50 per cent, the attempts were frustrated by pressure from the TUC. The Education Secretary has

decided, however, that rises in the selling price are essential to his policy of preserving the "central core" of education while trimming the £8.5bn annual budget by 4 to 5 per cent in 1980-81, on top of economies of possibly £200m property rents helped the Crown record 92,500 visitors to the balances from the previous year. Savill Garden at Windsor together with the film voted by

brought gross receipts increasing by 36 per cent to £116.500. last year, and the net income Gross rents from urban surplus, a total of £8.25m has estates increased by more than been paid into the Exchequer's surplus by almost 19 per cent to £6.98m last year. The Estate, which derives its income from assets handed to £1.1m to £9.1m. After allowing consolidated account. the Exchequer by the Queen in 1952 in exchange for her Civil List income. is benefiting from

rent reviews on its commercial and agricultural properties. The Crown Estate Commissioner's report for the year ending March 31 shows that receipts rose by £2.2m last year, and

expenditure by £1.2m. Agricultural rents from the 178,066 acres owned by the Crown Estate in England increased by about £700,000 to £3m last year. In Scotland rents from 87,730 acres of agricultural land rose by more than £68,000,

to nearly £473,000. Mineral royalties, mainly from dredging sand and gravel from the sea, produced more

Airline sale 'a year away'

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT. THE GOVERNMENT'S plan to would be unlikely to be publicly sell a "substantial minority" of offered for at least a year. He the shares in British Airways, reiterated the Government's the State-owned airline, is not statement of Friday, that the likely to happen for at least a timing of the sale would depend upon the prevailing market con-

Mr. John Nott. Secretary for ditions. Trade, said in London yesterday that the Government had not yet committed itself on the timing of the share sale. The necessary legislation was likely to take at least nine months to be drafted, and enacted, he added. This meant that the shares

The shares sale, part of the Government's long-term industrial strategy to disengage itself progressively from industry, is expected to ease the public spending burden by up

REAL PROFITABILITY of terms the average married man panies and then bring them to as long as the policy priorities British industry was likely to with two children had lost less market.

Dismantling of exchange con- On direct investments there Sir John said junior and trols facilitated by a strong was no evidence of large pent-niddle management had not yet pound, simplified and improved up, unsatisfied demand, which would cause an immediate outtry, said in London yesterday. ment they deserved. "We have . A strong pound reduced the flew of new investment. There CB]

He told a Financial Times conference. Budget 1979, that the CBI was forecasting real profits of only 3 per cent this year, excluding the North Sea sector. This compared with more than 10 per cent in the late 1960s.

The told a Financial Times got to do more for them to rise in the cost of living and could however, be a sudden pressure on savings. Restoration shift towards refinancing, but he said. "They are on the of confidence in sterling would this was likely to be limited. However, Habout 10 per cent year, excluding the North Sea sector. This compared with more than 10 per cent in the late 1960s.

Britain's international arms.

term decline in personal invest- once-for-all adjustment to the If a 20 per cent increase in ment has been arrested by the recent relaxation of exchange Budget. controls was likely to be a the underlying rate of pet direct The shape of the Budget tax capital outflow of £2.5bm to £3bm changes should encourage overseas investment of about £2bn were to occur, and this would be financed 50 per cent overseas and 50 per cent in sterling then the extra annual outflow in the future would be The additional long-term capital outlow could be as high

bout, there can hardly be any out regarding the City's and degree of adjustment would clearly depend on expectations for sterling as well as the relative thought the Chancellor did two attractions of domestic and operations of the constitution of about £200m.
Prof. Cedric Sandford,
director of the Centre for Fiscal
Studies University of Bath, told the conference that the Budget made a notable contribution in increasing the efficiency with which revenue was raised.

Reduction of personal tax of compensating inflows on long-rates must lead to greater free term capital account as a result There was a reduction in administrative costs for the Inland Revenue and Customs Sir John said that with high inflation the best way for dom in the economic choices of of increased confidence in the unions to protect members' individuals. Transfer of spend. UK by non-residents. It was essential that the rise of the people should. Mr. Morgan pointed out that improve the distribution of to put the figures into perspectional. This would lead to lower prices.

It was essential that the rise changes was likely to release short-term flow of up to 25bp. and Excise in the switch from direct to indirect tax. The simplification of income tax and the investment surcharge reduced the compliance costs of taxpayers by an even greater

more funds for private invest. He would be surprised if the ment, encouraging wider share total abolition of controls made ownership and improving the any but a temporary difference The tax switch was also likely to generate a net reduction in the amount of tax evasion with were automatically justified.

He said that while the index might have risen 16 per cent over the year to August, in real securities market.

**The level and course of sterming to might have risen 16 per cent thresholds should encourage fluctuate about a rising—hopeover the year to August, in real entrepreneurs to set up company fully less steeply rising—trend consequent revenue increas Avoidance might also be dis-

Lloyd's

the U.S., which is sning Lloyd's of London for a total of \$628m (£271m) on computer leasing insurances, has obtained a court ruling in America that one of the lead underwriters on the insurance business must testify on or before August 6.

The foundry industry is con-

ing to increased imports, par-ticularly from the European

Economic Community, Spain

Halma expands

environmental control and industrial safety products, yes-

terday announced the formation

manufacturer of

and Portugal.

A determined Sir Ralph Richardson (centre) joins in the march to denounce the "Scrooge-like cuts" in Government

support for the arts.

in the other countries in the theatre, said Equity.

It continued: "Less easily

found possible to exempt the is the fact that our unrivalled theatre altogether from VAT or and, to the nation, profitable

to impose a lower rate as a television industry derives its

Equity said that it was not degree from the existence of

in any sense part of a "lame our theatres and other places duck industry." It said that it of live enterminment."

return. Way Forward, published last
For example, more than 50
per cent of foreign tourists in the arts should be protected

the UK said their main reason from across the board expendi-

"In some of these it has been

means of sustaining or encourag-

cessive governments had recog- a relatively modest investment, ded the Government of its own

the nation received a handsome

CORPORACION NACIONAL DEL

CORPORACION NACIONAL DEL COBRE DE CHILE (CODELCO-CHILE).

CHUQUICAMATA DIVISION, is offering for sale the following items of

Make: General Motors. Model: SW-1200; 1,200 hp sea level. Dimensions: Length 44' 5"; Height 14' 6½"; Width 10'. Weight: 248,000 lbs approx. Max. Speed: 55 mph. Gauge: 56½". General condition: Operable.

Make: Baldwin Westinghouse. Dimensions: Length 22' 71"; Height

13' 8"; Width 10'. Weight: 30 tons approx. Max. Speed: 32 mph. Gauge: 561". General condition: 2 fair/operable, 2 poor. Purchased:

Make: Nordberg. Model: "S"; Wakeshua engine. Purchased: 1950.

Make: Fairmont. Model: "F"; Ford engine. Purchased: 1 in 1959

Make: Fairmont; Tampert Electromatic. Model: W-23-B.1; UDEJ-2;

Make: Brown Hoist. Model: IBH-50.T, IBH-50.T, American Hoist;

DR-50.T, American Hoist; 7040-DE, American Hoist. Purchased: 1 in

Location: Mineral de Chuquicamata, ex-construction warehouse area.

Viewing: Monday to Friday from 13.00 hrs to 17.00 hrs. From 23th

Chuquicamata Division will have personnel available on site to answer

Offers for part or all of the equipment should be addressed to Oficina

de Ventas del Departamento de Contratos, Casa 319, Chuquicamata, in

2 RAIL TROLLEYS WITH TWO WAGONS COUPLED TO EACH ONE. (for

COBRE DE CHILE

CHU QUICAMATA DIVISION

SALE OF RAILWAY EQUIPMENT

ing live performances."

The letter said that while suc- could be demonstrated that, for

"falls lamentably short of that for coming was to see British ture cuts.

It continued:

quantifiable, but no less true.

bigh standards and inter-national reputation to no small

The actors' union also remin-

Leasing's lawyers on matters relating to the computer insurances. Another Lloyd's

market in its action.

had hacked its operations. New IEM models launched on the market in 1978 caused many customers to give notice leases. Lloyd's has been pre-sented with a-possible loss of \$225m on the business, the largest in its history.

it has launched against Federal Leasing. Bank of Lincolnwood is

Teaching may

authorities from their obliga-Although Government reneatedly tried to

reduce the subsidy on school meals from its level of more

RISING London and agricultural than £1.3m in gross income. A for about £500,000 held over in

the main U.S. agricultural states ment area in the list of towns the industrial equipment manufrom its fertiliser headquarters which will now qualify for facturer; and E. Gomme, furnish Savannah, Georgia, and special development area grants. Crown Estate surplus up 19%

ton, some 12 miles away.

Though unemployment

planning operations there in-

clude Continental Can, building

a plant for two-piece beverage cans, and ERF, the lorry manu-

Plants have recently been

available.

Agency in bid to end Ulster bike deal ALUMINUM and through Kaiser Trading in The investment will as a result

THE NORTHERN Ireland Development Agency is seeking to end an agreement it made last month to aid the production

Unemployment in the town, a mining centre until the 1960s, of motorcycles in Belfast. is more than 11 per cent, but this is likely to increase with closure of steelmaking at Shot-The deal was agreed with E. Cotton Motorcycles of Bolton for the production of two types of motorcycle, one of them a newly-developed 250cc racing mains high, the area has had remarkable success in attract-ing new industry in recent years. Apart from Kaiser, companies machine.

It was heralded by the agency as an attempt to challenge "the dominance of the Japanese" in motorcycle racing. But. Mr. Terence Wilson,

managing director of Cotton Motorcycles, said yesterday the agency was backing out of the deal and seeking repayment of

cash already committed. The figure involved is understood to be £15.000. concerned that the racing motor-

cycle was not given sufficient outlings on the race track. Production was to have started within a few weeks and sales would clearly rely on its racing

It was hoped that the deal would have created several hundred jobs in the first year of production.

Lloyds Bank loan schemes

LOYDS BANK is to introduce two loan schemes aimed at companies with an annual turnover of about £100,000 or more.

of about £100,000 or more.

The first scheme, the asset loan, will enable businesses to buy equipment, vehicles and loans will range from premises, Loans will range from £5,000 and £25,000 for up to five years, with interest charged on a flat rate basis with fixed monthly repayments.

The second scheme, the enter-

prise loan, is mainly for buying fixed assets and ranging from between £25,000 and £250,000, though the upper limit is fiexible.

The normal loan term would public spending burden by up be 10 years, with interest to about £1bn over a period of charged at between 3 and 5 per cent over base rate.

NEDO urges computer links with Americans or Japanese

THE COMPUTER industry manufacturers. should consider links with U.S. or Japanese companies to insays a report yesterday by the computer-sector working party of the National Economic Development Office.

The report, by the working party's multinationals subcommittee, says that the Japanese have concentrated efforts on competing with IBM, which holds 60 per cent of the world market, and that "the battle between the Japanese and the Americans for world computer markets may prove to be the single most important factor in the 1980s in determining the structure of the worldwide supply industry."

The report states that "casualties among companies caught in the crossfire could be considerable." While Interconsiderable." While Inter-national Computer (ICL), the UK computer manufacturer, is

The strategy of linkage proposed by the sub-committee for consideration by the working party is similar to that put forward by the consumer electro-

That report, based on a pessimistic survey of the consumer electronics industry, recommended a virtual takeover of large sections of the industry

Adequate

Other recommendations on multinationals include:

Foreign-owned multinationals that the UK has a substantial

 Public-sector contracts for new applications should be offered first to home suppliers. nies working party some months

in future.

The Government should tackle the shortage of highly qualified personnel, and ensure an adequate supply

On contribution of foreign multinationals to the balance of payments, the report says that it is not clear if these companies make a net contribution. The net result, however, is

Galsworthy's papers fetch £48,000

the scope for substituting imports of sub-assemblies and equipment for UK manufac-Nillingty, in Russian, went at Clocks and watches went £45,000 against a pre-sile esti under the hammer at Phillips mate of over £50,000. The Gals for £62,120, Lipton paid £2,800 worthy papers were bought by for a 19th century lyre clock, the John Fleming, New York, and bievde rot porcelain case the ballet dancer's diary, written mounted in ormolu. Morsel gave in the winter of 1918-19 just before he lapsed into insanity, was bought by Colin Franklin. Oxford.

> SALEROOM PAMELA JUDGE

The second and last day of the sale amounted to £223,557, Foreign-owned multinationals should receive selective assistance for new ventures only on condition that they continue UK production for a set period.

Multinationals should be encouraged by the Government to increase their local purchase of parts, subassemblies and services.

The Government should receive selective and deteriorating balance of payments assemblies and services.

The Government should receive selective and deteriorating balance of payments assistance for new ventures and deteriorating balance of payments deficit — 1976 £110m; 1978 possibly to volume of the celebrated diary sold-mounted Faberge dress study with cabochon mountone centures went to June 10, 1870. Letters from £2.100, while a Swiss circular from overseas, only the foreign-owned multinationals "can influence the balance of payments in the kind of way the sector working party would see as follow-poet dated between century made £1.700 for one art totalled £42.670. A set of six output of the celebrated diary sold-mounted Faberge dress study with cabochon mountone centures from £2.100, while a Swiss circular and fellow-poet dated between century made £1.700 for one art totalled £42.670. A set of six output for the Rev. Robert Kilvert. The period covered is April 27 to June 10, 1870. Letters from £2.100, while a Swiss circular and fellow-poet dated between century made £1.700 for one art totalled £42.670. A set of six output for the celebrated diary sold-mounted Faberge dress study and for centure from overseas, only the foreign-owned multinationals "can influence the balance of payments in the kind of way the sector working party would see as £10,000.

The Government should deteriorating balance of payments in the kind of way the sector working party would see as £10,000.

The Government should deteriorating balance of payments in the kind of way the sector working payments for £2.100, and April 4. Sporting prints and made £1.700 for one art totalled £42.670. A set of the celebrated diary gold-mounted £2.100, and April 4. Sporting payment

THE PAPERS of John Gals manuscripts and drafts by W. B. worthy made the highest price. Years fetched £7,500 from an £48,000, at yesterday's sale by American dealer, and an auto-Sotheby's of autograph letters, graph manuscript of his poem literary manuscripts and historical documents. The diary of by Quantital for £2,300.

£1,000 for an 18th century Friesland Smelklok, the painted dial within painted and cast lead frets; and Beetle and Poker bought a Swiss early 19th century quarter-repeating musical watch for £1,700.

Tribal art at Christle's made £42,361. Entwistle paid £4,200 for an Azande wood standing mother and child group

a sealed envelope to reach the Division not later than 15th October, not named, it is clearly thought of as a possible "casualty," together with other independent

3 24 2180

4.

lith at We Sens Director!

JPY Wal SA

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

COMPANIES ARE recom- decision maker; we are talking mended to adopt an "open style about helping him to achieve the of inanagement" and to increase consent which he needs to put with their employees in a new What is needed is strong man-cede of practice to be published agers who have the "confi-sion by the Confederation of dence, knowledge and skills to British Industry.

the Bullock Report battles over implemented."

lock Report or the possibility of legislation on industrial democracy. The code does owe its existence to a belief held by the CBI that industry must introduce its own reforms voluntarily if it is not to be saddled. with laws in the future.

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11.00

10.16

Called "Guidelines for action on employee involvement," the code acknowledges that industry could be doing more to help employee participation. It then goes on to explain what companies should consider doing and bow they should involve their managements.

It does not break any new ground in terms of CBI policy and does not for example, go in to the rights or wrongs of worker directors or other forms of industrial democracy.

"Fundamentally what we are talking about is an 'open' style of management, operated by formal methods managers with the necessary All employees professional skills, self-conficience and pride in their job," should "be ence says the CBI. We are talking their full part."

about the communication and The CBI als which are integral parts of this management style.

"We are not talking about should changing the manager's role as trained together.

mication and consultation his decisions into action."

communicate information, to The code, which has been discuss the difficulties of various approved by the CBI's council, is courses of action, and at the the latest stage of the confederate and have the credibility, courtion's work on employee particiage and determination to see pation which was started during that decisions are successfully

worker directors.

Although the (BI stresses that ship from the top of a company, it is "not a political document the CBI says." It is no use drawn up in response to the Bul expecting middle and Junior lock Report, or the possibility managers to communicate and of legislation on industrial consult with affects if the consult with others if they in consulted by senior managers."
The detailed guidelines start

> to set their objectives for employee involvement. "In the broadest sense we are talking about a means of achieving a more competitive, more efficient British industry through improved employer employee relationships," says the CBI This statement illustrates the sharp difference between its ideas and those of the TUC's industrial democracy demands which are simed at changing the balance of power

in industry. Next companies should decide what forms of employee involvement are already occur-ring and how they should be extended through formal and in-

All employees should be included, and union members should "be encouraged to play

The CBI also stresses the consultation arrangements need for training and recomthat managers and mends representatives employees'. where possible

Rover sales up in Europe

BY LISA WOOD

Rover cars in Europe have between January-June compared with 4,010 last year.

The £1.6m needed to restore the building was raised by a consortium of trades unions pared with the same period last and the Rover had started to year.

The £1.6m needed to restore the building was raised by a consortium of trades unions affiliated to the Labour Party since the launch of a £1-a-brick year.

JAGUAR Rover Triumon and 2600 saleons worth £50m, yesterday said that sales of were registered in Europe

the union wants the Smith Square building for its own purposes. Mr. Callaghan said that there had been times in the past when he had despaired of ever seeing the headquarters project being completed.

NEWS ANALYSIS—BRITISH AEROSPACE SHARES

Air group fears for the long term

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

IT IS widely hoped in the UK aerospace industry that the Government's plan to sell about half the shares in the Stateowned British Aerospace group to private investors, and oblige it to find most of its future eash from its own and commercial sources, will not be allowed to disrupt the most vital task facing the group-which is building and selling aircraft.

A major re-equipment tide is now flowing through the world's airlines, which is expected to add more than 3,500 aircraft to the commercial fleets by the early 1980s. Sales of military aircraft and guided weapons are also expanding world-wide.

British Aerospace is trying to capture as much of this business as it can. This is already a difficult task, in the face of tough foreign competition. It could be made even more so if the industry is obliged to undergo the experience of partial denationalisation only nationalised.

the shares. Nor is it too worried about the future need to raise more of its cash needs in the commercial market.

What is causing concern is the fact that the forthcoming which comprise the State-owned legislation proposed by the Government will not entirely rule out the long-term possibility of dismemberment of the group -perhaps selling off such profitable parts as the Dynamics Group, which is responsible for space and guided weapons.
This is widely regarded as

potentially disruptive, damaging to morale throughout the industry. The industry is asking why, in the light of the Government's own expressed pre-ference for maintaining the present structure of British Aerospace, it needs to even so much as suggest in its proposed legislation the possibility of such dismemberment. If there is no intention of it, why include

Lord Beswick, chairman of

BY PAUL TAYLOR

£10m this year.

years.

firmed plans for a 10-year £172m

hospital building programme— and announced the need for

revenue spending cuts of about

at district hospitals as part of an overall £480m capital pro-

gramme during the next 10.

The hospital building pro-

cerned about the plan to sell off have worked hard over the past with Romania on One-Eleven ment. two years to try to consolidate jets, which might eventually the activities of British Aircraft Corporation, Hawker Siddeley

> They have established a programme of military aircraft development, underpinned by the big Anglo-West Grman-Italian Tornado multi-role com-bat aircraft, of which 809 will be built, with hopes of big American deals for the Harrier jump-jet fighter, and the continued success of the Anglo-French Jaguar jet strike-trainer and the Hawk trainer in export markets.

Now looming is the possibility of another big new collaborative venture on an advanced tactical combat aircraft, the AST-403.

continue steadily.

Some new programmes have still to come to fruition. They include the new version of the Jetstream commuter airliner, and the BAe 146 four-engined feeder-liner, which alone is to develop. In the 1980s, a new 130-160 seat short-range air-liner is likely to be developed with other West European countries, under the "Joint European Transport" programme. Collectively, these civil ven-

tures are likely to cost British Aerospace more than £500m to On the civil side, a similar port of the group said that it per cent, were export sales. At pattern is now developing. The boped over the next five years European A-300 and A-310 Airbuses (in which BAe has a 20 per cent stake) are selling well, then being that the rest would end of 1977. port of the group said that it per cent, were export sales. At

The £10m shortfall is made

The industry is not too con- British Aerospace, and his team while a big co-production deal have to come from the Govern

Now, British Aerospace will result in up to 80 aircraft being have to go to the commercial built, was recently signed. Sales capital market for whatever Aviation. Hawker Siddeley of the BAe 125 executive jet, additional funds it needs. This Dynamics and Scottish Aviation, and the BAe 748 feeder-liner, will mean that BAe will have to put a convincing case to win the funds it needs.

None of this seems likely to frighten Lord Beswick or his colleagues. Over the past two years, they have emphasised that it is their intention to make likely to cost more than £200m British Aerospace profitable, and especially the commercial aircraft division.

So far, they have done well Trading profits of British Aerospace as a whole in 1978 amounted to £79m, with net profits after tax, interest and other items amounting to £29m. Sales in that year amounted to £894m, of which £487m, or 55

The region's revenue spend-

ing allocation was increased by

West is still underfunded by

about 3.8 per cent, according to

The region's capital alloca-

tion in 1979-80 was set at £36.7m

at November 1978 prices-

totalling £10m to stay within the was a bigger increase than in

Government cash limits this any other region, the North

New giant hovercraft challenge sea ferries

By Lynton McLain

GIANT hovercraft designed to compete with passenger car ferries over routes of 200 miles are planned by the British Hovercraft Corporation, 20 years after the first Channel crossing by an experimental craft.

The first hovereraft over the English Channel-the three man SRN 1-made the two-hour crossing 20 years ago today. The latest Super 4 craft, the biggest in the world, with 416 pas-sengers, takes 30 minutes.

But far from being at the end of their potential development, new hovercraft are expected to open further routes over the Channel, the Irish Sea. Scandinavia and in the Mediterranean.

The corporation is spending £500,000 a year on research and development to improve efficiness of hovercraft. Many of the new designs will be based on further changes to the existing Super 4.

Quieter ride

The cost of operating large hovercraft now almost equals that of conventional ferries. The corporation claims that its existing craft can make a profit 3 per cent in real terms this on short Channel routes without fare premiums for the higher speeds. This competitiveness is ex-

pected to increase in the early 1980s. The first improved Super 4 will be available — if the demand is there - from 1981. The changes are designed to make it directly competitive with ferries on routes of up to

The larger hovercraft will be designed for 200-mile sea crossings and these craft - larger than the 300-ton Super 4 - are expected to use fuel almost twice as efficiently as the existing craft. The use of quieter, more

efficient engines now available will cut fuel consumption by 30 per cept, and new designs of the supporting rubber skirt may reduce friction by 35 per cent. British Rail Seaspeed, which has the only two Super 4s so provements will enable it to move into profit from a £2.2m

Callaghan opens new Labour HO

THE NEW Labour Party headquarters in Walworth Road, Elephant and Castle, South London, was opened yesterday when Mr. James Callaghan, the Leader of the Opposition, performed the traditional stonelaying ceremony.

The party hopes to occupy the restored Georgian building by the end of the year. For 51 years it has been a tenant of the Transport and General Workers' Union in Smith Square.

The lease expires in 1980 and

A total of 6353 Rover 3500 executive car market. sufficient funds.

ONE OF England's poorest health authorities yesterday conpends on Government public ex- less severely than other regions penditure plans which have —particularly those in the South already hit the region's expenditure plans-in common with expecting to have to make cuts year to £383m, but although that other health authorities-after the announcement by Mr. Gover Patrick Jenkin, Health Secre- year. tary, last week of a £90m-

The North West Regional Health Authority confirmed plans for the £172m hospital building programme. It will involve 25 construction projects at district the projects at district the projects. Wider court role on secrecy urged

gramme—the biggest planned by the region-will involve the construction of a new district hospital near Altrincham and the upgrading of other old general hospitals in the region. New buildings will be constructed on a standard design around nucleus departments which can be developed in phases to provide a complete new legislation. hospital.

Work on seven of the main projects, including the new hospital at Altrincham, costing \$12m, is to start in 1982-83. The programme clearly de-

above expected level, £3m health authority expenditure in because of the increase in VAT Although the squeeze will and £5m because of other price affect the North West Region inflation.

£100m squeeze on regional up to £2m in wage increases

£172m health scheme launched

BY A. H. HERMANN, LEGAL CORRESPONDENT THE Law Society supports most protection of the confidences of fied as secret. The Franks of the Franks Committee proposals for reform of section 2 protected by criminal sanctions to the Attorney General. posals for reform of section 2

However, it seeks more protection for individuals and wants greater discretion to be given to courts in the application of One of the principal recommendations, made by the society's Law Reform Com-

mittee in a memorandum

defence if the accused disclosed did further public interest.

The Law Society, however, against disclosures not only of the Official Secrets Act, 1911. when the confidences were says courts should decide not only whether the relevant given by him to the Government, as proposed by the Franks information was classified but Committee, but also when the also whether it was reasonable that it should have been classiinformation was acquired by the Government department fied. Moreover, the Law Society far built, believes that the imfrom other sources. proposes that it should be a

The Law Society also differs from the Franks Committee on who should determine whether published yesterday, concerns information was correctly classi-

the information for the public loss last year. Advance bookgood and the disclosure actually | ings on the Channel are already double those of last year.

Death rate shows rise of 1.74%

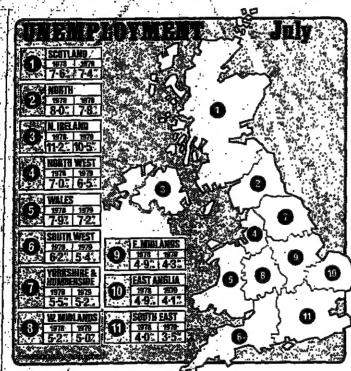
By James McDonald THE NUMBER of deaths regis tered in England and Wales last year was 585.945—1.74 per cent higher than in 1977—according to the Office of Population Censuses and Surveys.

. The only change from 1977 in the order of the main causes of death in each age-group was that respiratory diseases again resumed third place in the 45-54 age group in place of cerebro-vescular disease. The report said that there was

limited significance in changes in the number of deaths from one year to the next, "Such short-term changes are usually the result of differences in weather conditions or the presence or absence of an influence epidemic."
Of the increase in deaths between 1977 and 1978 almost

half-4,631-was accounted for by an increase in deaths from heart disease. This represents only a 3 per cent increase in what is in any case the commonest cause of death and might be attributable at least in part to the cold weather."

Larger proportional increases were to be found in deaths caused by motor accidents—14 all other external causes"



REGIONAL differences in the total UK adult unemployment level of unemployment are widening again. In the month to mid-July the total rose in Northern Ireland, Scotland. northern and north-western England and Yorkshire and Humberside, even though the national figure was unchanged on a seasonally adjusted basis. Over the past 12 months

BY PETER RIDDELL ECONOMICS CORRESPONDENT

has fallen by 6.6 per cent, but the decline has been 2 per cent or less in northern England, Scotland and Northern Ireland. The drop in south-east England has been 12.5 per cent. Over the same period the number of adult men out of

work has dropped by 9.4 per cent to 891,400.

bureaucracy By James McDonald

INDUSTRY'S "fifth columnthe bureaucrat within" is among the topics to be discussed at the annual conference of the Marketing Society in London on November 28.

The speakers will include: Mr. Enoch Powell, MP; David Stockwell, managing director of Harris Carpets; Sir John Keswick, director and former chairman of Jardine Matheson and Co.; and Geoffrey Darby. managing director of the Cadbury Schweppes Drinks group.

Other speakers will include Mr. Peter Walker, Minister of Agriculture; Lord Armstrong, chairman of the Midland Bank: Arthur Scargill, president of the Yorkshire area of the National Union of Mineworkers; and Sir James Goldsmith, chairman of

The conference will discuss whether entrepreneurial flair is being stifled by a corporate bureaucracy of business's own making. Another topic for discussion is that business is still on the defensive and, as a preneurial marketing is in danger of being inadequately funded or even neglected.

The Marketing Society, Spa House, 11-17, Worple Road, London, SW19.

Conference to discuss

Price body praises Shell UK Oil

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

ATTWOOD GARAGES LIMITED

The Annual General Meeting of Attwood Garages Limited was held

on July 24th at Wolverhampton, Mr. H. R. Attwood (Chairman and

Group profit before exection for the year ended 31st January, 1979,

The directors recommend a final dividend of 8375p per share which

was £93,475 compared with £89,358 for the previous year.

THE Price Commission, in its The final company investigation re-welcomed the company's inten-port, before it is wound up by tion to continue seeking a high the Government, yesterday gave volume throughput of petrol Shell UK Off a virtually clean sales at low margins, since this

bill of health. But the Commission bution efficiency.

emphasised that in the present of market, with restricted ever that it "would expect sumplies and rising petrol prices, some of the benefits to be maximisation would not be

Managing Director) presiding.

is the same as last year.

Commission encouragés operating and distri-

a policy of short-term profit passed on to the consumer when the balance between supply and demand in the oil industry is

The Commission also refers to the company's target of improving efficiency by 4 per cent a year in real terms between 1979 and 1983. This improveit is on target to repeat its achievement in 1979," the report says. "Such improve-

up in 1976 after the break-up of the joint Shell-Mex and BP had sought a 6 per cent petrol price rise from March 9. initially decided to freeze this increase, it eventually allowed two interim rises that gave the company the full increases

However, the Commission continued with its three-month investigation. The report shows that the company "made very modest profits before interest on an historic cost accounting basis over the period under review when UK demand for

says the report, "Shell UK Oil was able to finance its operations and capital expenditure in 1977 and 1978 before interest and dividends on its capital."

But the Commission says that the forecast for 1979 "is for a profit before interest and taxation representing a return on capital employed of 13.5 per cent on an historic cost accounting basis, or a 5.6 per cent net profit margin before interest and taxation."

acknowledges that "recent events have already rendered the forecast out of date." It adds: "Events in the oil industry have moved swiftly in

the past few months and we have not attempted to take into account the impact of the latest rises in crude oil prices in offering our recommendations."

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tune of 9.50% p.a. (worth 14.18% to the basic rate taxpayer). And, though rates may fluctuate, you'll always get 1.50% p.a. more than the basic share rate.

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withdrawn earlier than the stipulated period except in the

likely to improve before the autumn.

The results for the year ended 31st January, 1979, again show a continuing improvement for the third successive year, and this has been achieved in spite of a shortfall in delivery of certain models. Trading for the current year has remained on a comparable level with last year, but supplies are still below our requirements and not

The raport and accounts were adopted.

ment was achieved in 1978 and Shell UK Oil informs us that ments will presumably enable Shell UK Oil to absorb at least part of the increased costs of crude oil." Shell UK Oil, which was set

marketing operation in the UK. Although the Commission had

oil remained fairly static." In spite of low profitability,

However, the Commission

The Commission says that since the Government said that it "would be inappropriate to initiate any more investigations," the report considers only the initial notified price rises and not the subsequent price

Price Commission investigation report No. 44; Shell UK Oil -oil and petroleum products:

ACAS staff in

engineer unions

Conciliation and Arbitration Mr. Terry Duffy, President of

Service held informal talks with the Amalgamated Union of

engineering union leaders Engineering Workers, Mr. Ken

yesterday about the industry's Baker, the new president of the pay dispute, over which a confederation; and Mr. Alex

national overtime ban is to Ferry, confederation general

Yesterday's talks involved

secretary.

A negotiated settlement has

been very difficult because the

engineering union's national

committee and the confedera-

tion have imposed tough

conditions on their negotiators. Union leaders have been

instructed to fight in full for

rates of £80 a week, with pro-

downstream industries and full

information on future projects

They also went better understanding of the Government's

position on energy policy in re-

lation to EEC attitudes on re-

finery capacity and its policy towards developing plans for

the industry's future.

After the collapse of national

Negotiations in some com-

panies, particularly in the North-west have rue into diffi-

culty, and shop stewards may be seeking powers to ballot

members on industrial action

hour working week for 400,000

nurses and midwives in 1981.

must come from part of that

year's pay settlement.
The Whitley Council for nursing and midwife staffs was

told yesterday that the manage-

ment side had received a letter

from Mr. Patrick Jenkin. out-

The staff side was not pre-

pared to reach agreement on the introduction of the shorter week on that basis. The unions

are annoyed, as both sides have agreed in principle to introduce

a 371 hour week and it formed part of the 1978 pay deal. Fresh

talks are plenned for September

the Royal College of Nursing,

Employees and the Confedera-tion of Health Service

The mood among nursing

Clegg commission on compara-

position.

Employees.

in the UK and abroad.

talks with

BY NICK GARNETT, LABOUR STAFF ...

OFFICIALS OF the Advisory,

The talks followed an earlier

meeting between ACAS officials

and officials of the Engineering

Employers' Federation. Both

sets of exploratory discusions were mad eon the initiative of

the service, which is consider-

It semed unlikely last night,

however, that any new initiative

could easily be made. The Fed-

eration's management board is

meeting today and is not ex-

pected to make further pro-

as the national overtime ban. After that, the Confederation

of Shipbuilding and Engineer-

ing Unions will review the situ-

BY OUR LABOUR STAFF

are suspending their involve-ment in the industry's sector

working parties while they try

The exercise may result in

The Chemical Unions Council

which took the decision yester-

day, is seeking a meeting with

economic development commit-tee under the NEDO imbrella.

Mr. David Warburton, secre-

to the special sector groups set, national claim.

the unions' withdrawing com-

to clarify the Governm

position

strategy.

Chemical workers

CHEMICAL INDUSTRY unions the unions include the bringing are suspending their involve of North Sea oil ashore for

begin next Monday:

ing its position.

Callaghan punished for his excessive demands

MR. JAMES CALLAGHAN got precious little change from some fierce political trading with Mrs. Margaret

The Prime Minister told the Commons that until demand fell, interest rates would remain high.

As good as her word, she promptly forced the Leader of the Opposition to pay heavily for his excessive de-

Five times Mr. Callaghan engaged with increasing anger in exchanges across the Despatch Box-and each time sat down with nothing to show Mrs.

challenged Thatcher to deny the prosal made by Professor Douglas Hague, one of her economic advisers, that tax relief on mortgages might be phased out. "I'm delighted to deny it,"

Mrs. Thatcher responded sweetly. "One's advisers are not always right-and I often tell them so. Ministers with experience

of such events chortled merrily on the Government front beach over Mr. Callaghan's discomfiture. But the Leader of the

Opposition was soon back, bitterly rejecting Mrs. Thatcher's advice that Lab-our's public expenditure plans would have taken Britain back to the economic difficulties of 1976 and the IMF

"Totally untrue," Mr. Cal-Did she not recognise that public spending became a burden only if there were no

When was she going to cut the absurdly high interest rates which were curbing investment, dragging in foreign money and depressing exports? he demanded grimly.

he could hardly criticise the Government for making spending cuts that he had been forced to make by the IMF. Tories cheered, Labour MPs jeered - and Mr. Callaghan stormily demanded an answer

Mrs. Thatcher retorted that

to his question. "You know that interest rates have to remain high

while there is such a tremendous amount of borrowing from the banks," Mrs. Thatcher replied.

"I am determined we shall keep down inflation," she derision "Until demand is reduced.

we cannot reduce interest

tates." How many bankrupteies do you expect there will be, and how much unemployment before you see sense?" Mr.

Callaghan demanded. Interest rates had not yet reached the record level they had attained under a Labour Government, Mrs. Thatcher

Back came Mr.: Callaghan-

Labour leadership Jim," Tory MPs inquired bilariously. "I realise you are having a

very difficult time. . . " Mr. Callaghan told Mrs. Thatcher with more optimism than the scene justified.

Could she undertake that the present level of interest rates would last no longer than Labour's 15 per cent

"You know I can never, never, never give any undertaking on interest rates," Mrs. Thatcher replied.

Mr. Callaghan rose menacingly to his feet again. But this time words failed him. He banged on the Dispatch Box furiously and sat down, no more satisfied with the echeing response that produced.

Regional planning councils disbanded

THE GOVERNMENT'S decision to disband the English Regional Economic Planning Councils brought a storm of protest from Labour MPs, when it was Industry Secretary.

brief and unheralded statement by-Sir Keith at the end of a long speech opening the debate on the Government's proposals togreut regional aid by £230m over a three-year period. The Opposition was particu-

larly incensed because Sir Keith made the statement on behalf of Mr. Michael Heseltine, the wäs not present to be questioned on it.

They also pointed out the in-consistency of scrapping the councils in England while retaining them in Scotland and

Mr. John Silkin, the shadow Industry Secretary, made it of the Government, they were consisting of officials who serve when Government policies began clear that a future Labour pursuing no useful function. Gosernment will restore a large measure of regional aid and would provide extra funds to the National Enterprise Board. But he carefully avoided making any commitment to restore the specific reductions now being carried out by the Con-

Mr. Silkin warned that these socially divisive policies " vojild be resisted root and branch by the Labour Party.
Defending the cuts in regional aid. Sir Keith said that they could prevent the creation of between 5,000 and 6,000 new jobs in the assisted areas. But he insisted that the £230m which would be saved in public

funds would result in the creation of 5,000 to 6,000 new jobs over the country as a whole. the Regional Economic Planning Corncils in England, Sir Keith made it clear that in the opinion







Şir Kelth Joseph (left), Mr. John Silkin, Mr. Michael Heseltine

The eight councils, which have no executive responsibilities, give advice on the economic situations in their

individual regions and this is then passed up to Whitehall for the attention of the Government. Sir Keith questioned whether it made sense for the council members to continue to make their services available when they have no specific function and that their advice is often unheeded.

It had been decide, therefore, to disband them during the relatively quiet summer period while awaiting the outcome of the Government's wider review of Quanzos (Quasi-Autonomous Non-Governmental Organisa-

"This decision reflects the in-Announcing the disbanding of appropriate nature of these said Sir Keith.

the councils-will continue in existence but will operate by less cumbersome means." Mr. Robert Cant (Lab., Stoke

on Trent Central) protested there was no constitutional precedent for slipping in such an important announcement on behalf of another Minister who was

should have been in the House policies as they were before the to announce the "chopping" From the Labour front bench.

Mr. Silkin said the House was owed an apology for the way the statement had been made. The difference between the new English position and the position in Scotland and Wales required some justification.

He thought that the confusion resulting from the spate of sudden announcements He emphasised, however, that past week was a fair indication a number of elements. the regional planning boards— of what conditions would be like

to take effect. Mr. Silkin electorate had a right to know what the next Labour Govern-

ment would do now that it was Keith's policies were.

an economic disaster. And that gap between the assisted and means we will have to look very non-assisted areas. carefully at all our policies."

over the therefore, have to be

resources for the regions, not These resources would have to be made available selectively rather than automatically.
"We will have a system of planning agreements," he added.

posals on pay.

The two sides are very far apart and feeling is strong among many engineering em-ployers that they should wait and see the effects of the They will help maximise the effectiveness of regional policy and they will enable the Governplanned industrial action.

548 for unskilled men, although.
That involves one-day strikes most workers can considerably on August 6. 13 and 20 as well more from local deals.

as the national overtime ban. The unions instruction on ment to examine company plans at an early stage.

"It will mean that the carrot of public money and the stick of industrial development certificate control will be used

According to Mr. Silkin, what was needed was a coherent regional policy not a reluctant

negative drip. He claimed that Sir Keith had put together ideas which he had culled "from a dozen volumes of out-of-date theory." For the Government, Sir

Keith admitted that the reduction in regional aid would mean a drop in the new jobs that would have gone to the assisted His best up-to-date estimate

was that during each year of the 1970s, about 20,000 new jobs had been created by regional aid. But this was a net gain offset

largely by consequent losses in other parts of the country.

The Opposition arguments about the effect of the Government's policy on the regions were totally misleading, he said. oay, is seeking a meeting want after the collapse of interest of the chemical tor general of the National industry last month, the unions Economic Development Office, say many companies have now The suspension also applies regotiated local deals above the "But I want to make it clear that I don't think life is going to be as easy as that," he went ahead anyway without Govern-Many of the assisted projects in these areas would have gone ment aid. By itself, taxpayers' money up by the chemical industry

There had to be a greater

tary of the Chemical Unions Council and national chemicals officer for the General and yesterday that the unions still and craft workforce resume toco-operation between managesupported joint initiatives with morrow and union officials have management and the Govern told the company thankney now ment but had had no alternative want it to make its final pro-

to that action, posals.

"We are very sad about this. An offer of about 16 per cent
We haven't fad any clarification has been rejected although from the Government," Mr. there is much disagreement

between the unions on the dis-The issues that most concern tribution of money.

Big banks' higher pay offer accepted By Nick Gamett, Labour Staff

BARCLAYS and National Westminster yesterday offered their clerical, computer and manahigher in total than that offered by Lloyds and Midland

The staff associations at Barclays and National Westminster have accepted the proposals. The executive of the Banking Insurance and Finance Union will discuss the offers today but seems certain to

Yesterday's developments, which have been part of extremely scrappy moves towards a settlement for all the English clearing banks' 200,000 staff leaves the banking union in an awkward position

rata rises for other rates and other improvements, including Its negotiators with those from the Association of Scientific Technical and Managerial a one-hour reduction in the working week this year. Negotiators had earlier Staffs, have already accepted mediation proposals at Midland, which proved inferior to a later indicated their willingness to accept a compromise figure of offer made at Lloyds, Barclays Basic rates in engineering are £60 a week for craftsmen and

and National Westminster offers are a further improvement on that at Lloyds. They follow pressure from improve differentials.

The Barclays and National

industrial action technically applies to more than 1m workers in the federation's 6,500 member companies. Westminster proposals are the same as those at Lloyds and Midland for grades 1 and 2-15 per cent new money with 21 per cent consolidation of the existing 5 per cent productivity payment. The other 21 per cent would be paid as annual bonus.

For grades 3 and 4, however, Barclays and National West-minster have offered 18 per seek NEDO meeting cent new money, I per eent more than at the other two

The offer for grades above this, including managerial and supervisory staff is 17 per cent new money, similar to the offer at Llovds but 2 per cent higher than that at Midland.

Midland, which set the pace for negotiations following mediarion will now aimost certainly face requests from its unions to improve its proposals.

GLC staff to step up action-

GREATER London Council staff plan to step up industrial action over the council's proposal to down its construction department.

The GLC Staff Association held a rally outside County Hail yesterday is protest at a council resolution, due to be discussed at a GLC meeting late last night. that the construction branch should not be allowed to com-pete for further contracts.

Mr. Arthur Capelin, deputy secretary of the association, said that it meant the effective closure of the branch with a loss of 900 jobs. The association in conjunction with the Union of Construction, Allied Trades and Technicians, would oppose the closure and cuts in house build-ing with every means at their disposal:

Association members have refused to handle work on trensferring housing from the GLC to the London boroughs and to process GLC housing confracts. The GLC said yesterday that there would be no compulsory redundancies among the con-struction branch Council policy relied on natural wastage and voluntary redundancies:

Council's 'save Shotton' plea to Government the Government's

A DIRECT approach to the Government is to be made by Clwyd County Council in an effort to save more than 6,000 jobs threatened by the proposed closure of the Shetton steelworks in North Wales

The council's views on the closure were put to Sir Charles Villiers, British, Steel Corporation chairman at a meting in The unions involved include Mold. -the National Union of Public

Members of Shotton trades unions were also there to voice. their protests

IV men return staff is unsettled, the unions say, because a finding from the INDEPENDENT television electricians and studio staff bility, which formed part of this resumed normal work resterday year's pay settlement, is not after their 24-hour strike on expected until the end of the Monday which blacked out com-year. Nurses will not want to mercial stations. Talks between

Peace hope on offshore rigs THE THREAT of industrial workforce of between 600 and nel director of ARA Food

action by catering staff which would disrupt the North Sea tions.

700 men on about 38 installa-

companies operating in the offshore fields.

At the end of last month, the the table and the shop stewards
After a two-hour meeting in unions claimed 1600 for a full will take back a verbatin
Aberdeen between the comtour of two weeks offshore and report on the offer which will
panies and representatives of two weeks on shore. They reject leave the members for make
the Transport and General ten a counter offer of 1415. their own decision

Services, said yesterday that he

panies and representatives of two weeks on more they reject leave the members to make the Transport and General ted a counter offer of £415. their own decision workers' Union and the The statement which will be Response in the latest after National Union of Seamen, both issued today, will contain no should start coming back from sides agreed to put out a state—union recommendation. How the offshore beids at the end ment containing the offer to the ever, Mr. Peter Nielsen, person—of the week, Mr. Reid said

Business tax query THE TREASURY is to consider A BACK BENCH Tory attempt creamed off by the private a.m. to be at postal sorting

whether the costs of raising allowed as a deduction for tax mail monopoly was surprisingly purposes, Mr. Peter Rees, defeated by 210 votes to 187 in Treasury Minister, announced the Commons yesterday. last night. In a written reply to a ques-

tion from Mr. Jock Bruce-Gardyne (C. Knutsford), Mr. Rees said he had considerable sympathy with the proposal. There are, however, a num-

bef of substantial issues about nature of the expenses which need to be fully considered before the legislation could be introduced f-These maters are a suitable subject for consultation and I

have therefore authorised the Inland Revenue to seek the views of interested parties Lords 'brilliance'

WIDER PRESS coverage of

be "supremely important"

proceedings of the House of

Lords was vital, cross-beucher Lord Robbins told the Upper

He said that he sat daily

in the House and listened to the "brilliant" and "well-educated" speakers, but "day

after day I open the quality

newspapers and read no evi-

dence whatever of the dis-cussions which have taken

"It really is vital for this

House and for the country at

large that the things that are

said in this House should be

Deposit Rate

8.80%

to introduce a Private Member's Bill to break the Post Office's Criticism of Post Office inefficiency was countered by

Mr. Charles Morris (Lab. Openshaw), a former member of the Executive of the Union of Post Office Workers. He regerred to the delays experienced by many users of the private delivery services

which operated during the 1971 postal strike. He quoted a London evening newspaper headline declaring: Private post haywire."

Mr. Morris warned that if the Post Office monopoly were breached, the profitable areas of postal delivery would be

more broadly reported."

Lord Soames, leader of the Lords, replied that he would also like to see "much

greater coverage" of Lords'

But he reminded peers that

since the advent of Parlia-mentary broadcasting "what

goes on in this House has got

to the public's ear much more

Lord Soames turned down

suggestions for establishing

similar facilities for lobby

journalists in the Lords as

they enjoyed in the Com-

successfully."

Post Office monopoly upheld

The Post Office would then left with the unprofitable isolated areas of the country and people living in rural communities might soon find postal deliveries deteriorating in the same way as train and bus Mr Morris stressed that it

was not possible to have an efficient postal service when there were nearly 10,000 vacancies for postmen. There were 900 staff vacancies

Mount Pleasant sorting office in London, the largest sorting office in the world. The unsocial hours worked by

offices," he said. In his unsuccessful bid to obtain leave to bring in the

Bill, Mr. Neville Trotter (C. Tynemouth) argued that a decision to break the mail monopoly would be a stimulus to efficiency and improve working relationships in the Post He reminded the House that

when an attempt was made to introduce a similar Bill in February 1976—an attempt which failed by 166 votes to 155 -half the members of the present Government supported Mr. Trotter maintained that

postmen were a deterrent to in the three and a half years recruitment. Since then, the performance of

changes

removes the obligation on local authorities to go comprehen-sive, completed its Parliamen-tary passage in the Lords last

A final attempt by the Opposi-tion to change the Bill failed by 133 to 101, a Government Labour peers forced the vote

ies would also have to publish details on the method and cost

turn the clock back.
The Bill, which has already now awaits Royal Assent.

Nuclear waste study planned

LAND ALL over Britain is to be probed to see if nuclear rubbish can be buried safely, the Government announced last

in 15 areas of England, Scotland and Wales is certain to spark a major row with environmentalists and with politicians critical of the Prime Minister's personal commitment

of the Environment seemed designed to quell fears that Britain could become riddled with pits making the country the world's nuclear dustbin.

"This is not a programme for disposing of radioactive

waste . . . purely research . . . insisted Mr. Michael Heseltine. Environment Secretary, last

that the tests were purely geological, to establish whether underground dumping was the best way of disposing of the

The Government was also researching dumping waste on, or under the seabed.

Three other applications have already been turned down, but the authority is appealing against the decision. They are no preference between the three appropriate times and in appro-

Cheshire, Cumbria, Grampjan, Northumberland, Somerset.

suitable for further examina-

"I must make clear that this

is not a programme for disposing of radioactive waste, but is said. purely research into whether disposal in geological forma-tions is feasible."

or under the ocean. If land sites were chosen. deep access shafts would be One application by the built. There was no question of Atomic Energy Authority for all 15 sites being selected for

He said the Government had of

"The aim is to have a demonstration facility for one or more The other areas are in of the methods in operation during the 1990s with a view Highlands, to having an actual disposal Leicestershire-Nottinghamshire, facility in operation early in the next century." So far, most research had

on land, but the UK was initiating research into sea dumping which was attracting incressing international interest. Land tests have been conborings from the Department areas identified may prove unfined to hard rock, but now the

authority was to carry out tests on clay and salt. Only when full information

is available and has been properly evaluated, will it be possible to judge whether disposal deep underground is an option to be pursued and, if it is, which of the rocks would be most suitable." Mr. Heseltine

The Government has already adopted a six-point safety code on nuclear dumping: To ensure that the creation

of disposing of waste are dealt with before any large nuclear programme is undertaken.

To ensure "due regard to environmental considerations in dealing with nuclear waste. To "secure the programmed disposal" of nuclear waste. To ensure adequate research

methods, and To ensure waste is disposed of "in appropriate ways, at

spending on health THE National Health Service ing people in those countries is still the envy of the world, with different health schemes is still the envy of the world, Mr. Moss Evans, general secre-tary of the Transport and suffer disadvantages. • The Government has told General Workers' Union, said health authorities that any yesterday, giving his union's view on the future of the NHS. money for introducing a 371

Evans backs higher

posals.

The union gives full backing to the suggestions of the recent Royal Commission report for more spending, the abolition of prescription charges and greater local administrative flexibility. It calls the report the best study of the NHS ever

In a memorandum to Mr. Patrick Jenkin, the Secretary of State for Social Services, Mr. Evans accused the Government of trying to play politics with the sick. The Government's approach might hamper attempts to improve industrial relations in the NAS.

Mr. Evans said that the union will vigorously oppose any plans to introduce private health insurance and expand private practice, and will campaign to get rid of pay beds in NHS hospitals. The union has a significant." ... membership among ambulance staff, ancillary

workers and some nurses. The union wants the Government to consider TUC and Transport Union proposals to allow elected representatives of NHS workers to sit on local and fund a shorter working week the unions and employers are regional boards. It says work from faiture settlements. planned for Friday.

would disrupt the North Sea tions.

oilfields faded yesterday when Unions and employers de would be avoided an improved pay offer was made clined to give details of the Mr. Bill Reid. Aberdeen area by four of the largest catering statement, although they said secretary of the TCWU said:

to ontained an improved offer. They put a further offer on

10.15% 10.10%

Subscription Rate 3-yr. Increment Share

CORRECTION.

The City of London

Building Society

We apologise for any inconvenience caused

from an incorrect entry in the issue of Saturday

21st July 1979. The rates should have read:

Share Rate

announced in the Commons yes-terday by Sir Reith Joseph, the The disclosure came in a









realised just how disastrous Sir It would be easy for the alf of another Minister who was Labour Party to say that it to present.

He said that Mr. Heseltine that it would go back to the

> What we are likely to find if the present policies continue is would not suffice to narrow the

> The strategy of the next measure of self-help in the Labour Government would, assisted areas—more enterprise, therefore, have to be based on higher productivity and befter

Education

majority of 33. on a proposal to place on logal authorities the duty to ensure children could transfer easily between secondary modern and grammar schools. Local authori-

of transfer. Baroness Phillips (Lab)

There is a shortage of the Post Office had deteriorated people willing to get up at 4.30 further.

Northumberland. Gwynedd-Powys, Announcement of test boring

to atomic power. News of the programme of

In a Commons written answer, Mr. Heseltine stressed

is in Caithness in the North of

West Scotland, and two in

Strathclyde, Western Isles and Hereford-Worcester regions. Mr. Heseltine said: "Other areas may be identified in the future for exploratory investigation and added to the list. On the other hand, some of the

"All exploratory work, including test borings, in any area will be the subject of planning procedures and publicity will be given to the

He said it would take about ten years to decide whether the best method of disposal of radioactive waste was underground,

permission to start test borings -this development-at most two has already been approved. It or three would be nicked. Waste would first be put inside solid glass blocks, and stored for several years before being dumped.

been directed towards dumping

of nuclear waste is minimised. To ensure that the problems

SEE SY ARTHUR INSTRUME **Tryey** if the

The results inal Cities The second of th Rice Home THE THREE S

STORY CONTRACT There is not be THE PERSON AND transport a telephone **farthing** STREET FROM

Tarana de land in contain a THE RECEIPTED September 1 The same A long to make the same der Ein

E The angle Mpany

> Commer industrial s

r.s. Pilkes

Car leas

Corporate strategy—a question of survival for the smaller company

ONE OF the things that distinguishes the successful small husiness from the rest—the "thrusters" from the "sleepers" is their knowledge of where they are going, and how they intend to get there; in other words in their better business: planning and control.

The introduction of planning into a small company is not an easy process. It can involve traumatic changes for the chief executive and his family—and senior managers. But it is not merely a means of improving business results—it is often the only way to survive in a tough

The small businessman has a natural aversion to bureaucracy. To him corporate planning is companies when they are for answered with a financial plan mulating their five-year plans, and budget for the sive form of forecasting and be useful measures of perform-budgeting. It smacks of decision—ance, but budgets as making by committee, leading to delays, and missed opportunities: and to the appointment of expensive staff-specialists. Is this what is involved?

article to mean firms with up to 500 employees—the planning is done by the chief executive and his team. The aim is to produce not a detailed five for growth on which it can year plan and budget, but a capitalise without stretching its corporate strategy including some specific objectives and priorities.

For these, formulating cor-porate strategy involves an assessment of the strengths and weaknesses of the business, in particular its competitive position in the market, and carrying the successful entrepreneur. To out in analysis of profit oppor-quote Peter Drucker. "Every tunities and likely threats, one of the great husiness financial and otherwise. This builders we know of from the usually leads to the development of project teams and action plans aimed at tackling specific problems or oppor-

But planning also means involving the senior executives, his actions and decisions. Inin a combining discussion about deed a clear, simple and pene-the future of the business, find-trating theory of the business' ing the time periodically to discuss objectives, business trends terises, the truly successful and alternative strategies; and entrepreneur, the man who not ensuring that the board meets only amasses a large fortune but occasionally to discuss strategy builds an organisation that can rather than operational probesity and grow long after he is gone."



Indeed, one of the main parts of that strategy must be the for his fellow directors and controlled development of organisational structure and

> When you ask a small busisman to define his strategy, he sometimes finds it surprisingly difficult to understand the reasons for his success-or his

Or a husinessman may say he wants his business to grow at, say, 30 per cent a year, and he The answer is "No." In a is looking for "growth oppor-small business taken in this tunities." Here again, this begs several questions. What is the present scope of the business? What are its inherent strengths? And what are the opportunities resources?

Intuition

The ability to develop and communicate a rationale for the business is the hallmark of Medici to the founders of the Bank of England down to Thomas Watson in our day [Watson founded IBM] had a definite idea, a clear theory of the business' which informed trating 'theory of the business

Previous articles in our planning series have discussed the experience and techniques of large companies. Today, Bernard Taylor argues that many of the same principles also apply to small businesses, though approach and procedure can both be drastically simplified.

The individual entrepreneur sum of his resources, ideas, does not need to analyse his imagination and drive. theory of business" to others, decision-making responsibilities let alone spell out the details, savs Drucker. "He is, in one person, thinker, analyst and executor. Business enterprise, however, requires that entrepreneurship be systematised. spelled out as a discipline and organised as work."

This is what the small busihis corporate planning: organised entrepreneurship."

The technical difficulties of working out a corporate strategy are often far less of a problem than effecting the necessary change in manage-ment style. A. E. Perrigo, Head of the Small Business Centre, at Aston University, Birmingham, puts it succinctly:

"A characteristic of many smaller businesses is that their day-to-day activities virtually absorb the whole energies and attention of management, in consequence of which practi-cally no time is given to their longer term interests and needs. ... In consequence, they neither plan to take advantage of the unfolding opportunities available to them, nor prepare to take action to minimise or avoid

risks which threaten them. "Before corporate strategy can be developed," says Perrigo, attention must be given to the day-to-day operating situation and the essential steps taken to free the chief executive from its pressures to permit him to devote the necessary time to the longer term requirements of the business."

What this involves is moving from a one-man-show dominated by the owner-manager, to management on a team basis. This is by no means easy.

Initially, the small business is an extension of its creator, the expression of his strengths and weaknesses. It represents the float glass, respectively).

wants to have full personal responsibility for results, he sets challenging standards, and he likes to have rewards based on performance. He is willing to work extremely hard for long hours and he is often obsessive about his business.

These personality characteristics are extremely valuable in the pioneering stage but they can cause problems when the business grows and the owner needs to delegate some of his responsibilities to others, before providing for management suc-

Confusion

It is obviously of fundamental importance that the board of directors should accept its responsibilities for policy-making. This may require its reconstruction, for example, by the coopting of new external directors, and a change in its mode of operation. Yet a British Institute of Management survey of 300 firms with less than 500 employees suggested that all too his competitors take advantage often, in the smaller company, the Board is the creature of the chief executive.

A related and equally key strategic issue for the small business involves sorting out the relationship between the family and the business. The conflict between family goals and business goals can be a major source of confusion in policy-making. This is not, of course, to say

that family ownership cannot sometimes help considerably towards the achievement of corporate goals; both Pilkington and Wilkinson Sword have underlined the advantages of not having to worry about outside shareholders when engaging in major risk projects (stainless steel razor blades and

But a small firm that is set on small business' hold on the growth may well be seeking a market is more tenuous. As a public quotation, a takeover, or a source of outside finance. Each of these options will probably involve a loss of independence, though this need not be in both ownership and management.

Reluctance to lose independence is only one of the reasons why some small firms take a strategic decision to restrict their growth. They may also have identified some of the more mundane dangers in growing too fast: such as running short of cash and working capital to finance stocks and debtors; or losing control of deliveries, costs, productivity and quality of the operation because their few competent managers cannot be everywhere at once. Both types of error, all too easy to make, can result in bankrupicy. It is not surprising that the increase in raw material costs, failure rate of small firms is so

On the other hand, in a developing market, a decision not to grow can be equally disastrous. In this case, the small business man maintains his sales, but his market position is threatened as of the growth in the market to build their market shares, Eventually he finds he cannot compete and has to go out of business or be taken over.

A key to the solution of this problem is for the small com-pany to determine whether it s possible to continue to exist in, and even dominate, a small market segment. Frequently, the small business survives because small indeed is beautiful. This applies most obviously in the service indus-

In manufacturing and construction, too, the small business frequently maintains its position by offering superior quality, better service, innovative design and even lower prices. Here, however, the

technology becomes better established, creativity and flexibility become less important factors, and bigger companies are able to take advantage of their ability to produce and sell in larger quantities. At this point, it is often advisable for the small producer to look

for another niche.

Throughout its existence, the analysis of risk is a particularly vital area for the smaller growth company. The small businessman is frequently operating at the limit of his bank overdraft and his debt capacity. Nor, usually, does he have the extensive financial resources of a large organisation, and the very existence of his business may be threatened by an unforeseen event: an a dramatic fall in demand, the oss of major contract, a prolonged strike or the take-over of a key supplier.

Risks

Because of this vulnerability, it is especially important for small companies to include a careful assessment of risks as part of their planning process. For example, it may be advisable to establish guide-lines in terms such as: cash availability, level of gearing (i.e. debt, equity ratios) per centage of sales with one customer or in one currency, and percentage of supplies from one source.

Levels of working capital cash flow, levels of debt and exchange rates, require particular attention in the light of the escalating cost of energy, wage inflation, high interest rates and

fluctuating currencies. McKinsey's recent work with threshold companies "in tough times" concludes that "their

METALWORKING

derives from con sistently building on internal and market strengths, aggressively strengthening their liquidity and capital positions; and maintaining unusually good operating control through increased attention to management fundamentals."

So business planning is emerging as a key area for management attention in smaller business-and therefore for management training.

Several management schools have developed seminars which cater specifically for chief executives, directors and senior managers in smaller companies. These take two forms. There is an increasing number of

private courses during which the top management of a small firm can assess its company situation and review strategies and plans with the help of the faculty. There is also a range of open courses which provide the opportunity for chief executives and directors to debate their company's strategies with other small businessmen—and with specialists in various fields, eg finance, business planning, and inter-national business.

At the Directors' Workshops we hold at Henley, small businessmen are asked to explain their strategies in such terms

 What results are you trying to achieve?

 Which opportunities do you What threats must be minimised?

• What resources do you need, and where will you obtain them? What are the risks to this strategy?

They find this an uncomfortable but very worthwhile pro-cess. It may be the first time in many years that they have had the opportunity to reexamine the raison d'etre of their business-their central

Bernard Taylor is Professor of Business Policy at the Administrative Staff College, Hen-ley, and Editor of the Long Range Planning Journal.

Previous articles in this series appeared on June 27 and 29, and July 3, 6, 10, 20. The concluding contribution will be published on Friday.

BUSINESS PROBLEMS BY OUR LEGAL STAFF

A Mareva injunction

by a mill in Portugal, with which we have a contract which stipulates "Both parties agreed to the jurisdiction of the Eng!" lish courts." We hear that the mill is in serious trouble. Our experience of suing in Portugal has been unfortunate and as we are aware that moneys are owed: by English clients of the mill we would like to put a stop to these debts being paid, pending the settlement of our claim: What can we do?

You may be able to secure an injunction in the English Courts (commonly called a "Mareva Injunction") to restrain the debtor company from taking its assets out of the English Courts jurisdiction pending hearing of your claim. This can be done very quickly—in a matter of days, so long as you issue a writ and pursue the claim in England. You should at once instruct solicitors in London to pursue this course.

Trespass on air space

The local corporation intends to allow a developer to develop two sites on either side of our cable: car company which carries passengers from the sands to the town centre. They intend to build a bridge from one side to the other, which means they would frespass on our air space. What problems can you foresee for our company and how do you place a value on air space? You will doubtless wish to

ensure that your company is given a comprehensive indemnity in relation to any damage or injury caused to your company or to its passengers or employees by (2) any matter arising in the construction of the bridge and (b) any matter arising thereafter by reason of the use of the bridge and of any defects in the bridge. including any damage or injury caused by objects (or people!) falling from the bridge; and whether by reason of accident. negligence, or deliberate action. We cannot advise you on valua-

accepted by the Financial Times for the answers given in these

Industry keeps

Cass Electronics Limited Phone Egham 6266 for inform

Getting the

food, cosmetic and other indus-

tries to meet the requirements.

of average weight legislation-

contained in the Weights and

Measures Act(1979) has given

the W.S. Atkins company, Kins

Applied Technology, its third

order for a weight control

Latest order is from Whit-

system.

PACKAGING

in touch with & Teletracer

pocket

• INSTRUMENTS

ction

Surveys the state of the weather

A SET of weather monitoring met is a microprocessor-based equipments manufactured to unit for automatic weather designs and standards of the stations. It can take the data Meteorological Office is now generally available from Frazer-Wash (Electronics), Lower Ted-dington Road, Hampton Wick, data to provide trend analysis, Kingston Upon Thames, Surrey data logging, etc., and provide KTI 4EK (01-977 0051). telemetry transmission to other

For example, the MK5B instrument measures wind speed lines or a radio link.
and direction with averaging Applications include

from up to 16 instruments-wind speed and direction, prestelemetry transmission to other locations either over Post Office

Applications include weather over pre-set periods. It can monitoring for safety purposes drive many displays without at oil platforms, power stations loss of accuracy and can send and anywhere where the the data over a telephone line. weather is a hazard or is other-

Earthing efficiency check

Instruments is a compact, hand- 3-lamp LED display. held instrument designed to give rapid indication of earthing efficiency in commercial electrical equipment such as electric 0.5 ohm. A green LED battery typewriters cash registers, indicator is also provided. typewriters cash registers, photocopiers and washing machines.

Developed to meet the needs of service engineers and with the requirements of the Health and Safety at Work Act in mind, the mit, called Elite, is connected to the earth circuit via its two test leads. When the test button is pressed a 10A current passes for a time sufficient to runture any weak link mouth Road, I

AVAILABLE : from . Havant resistance is indicated by a

Green indicates less than 0.1 ohm (pass), single red indicates 0.1 to 0.5 ohm and double red indicates greater than

The Elife has a tough pvc case designed to withstand field use and the instrument is unaffected by falling from a bench on to a concrete floor. The internal cells give at least 50 tests before recharging is needed a compact plug-in mains charger is sup-

More from Havant Instru-ments, Unit 3, Westfields, Ports-mouth Road, Horndean, Hants,

Data gathered and processed

FOLLOWING THE sale of about Then, up to 16 signals can be controllers and process con-20 of the equipments in various generated as the result of each trollers over serial communicaacquisition and monitoring sys-

tem into the UK munication interfaces, a program library, local and remote operator's terminals and remote process terminals.

There are ten available prommed functions in the library and seven more can be called upon if needed. Sequenlimits to a timing accuracy

parts of the world, ASEA is now event to give group alarm, or tion links. Control of the systo-introduce its DS SAP data signals can be delayed by up tem and the application proto 1,000 minutes. Furthermore, data can be acquired from 256 Units available include a cen- analogue signals at the same tral processor, process and com- time and recorded values can be scaled into engineering units. An analogue measured value

can be compared with four limit values, two low and two high and if any is exceeded, printout is initiated. communication Operator takes place via terminals includ-

tial event recording, for ing typewriters, visual display example, provides print out on units and programmable functhe operator's terminal of plant tion push-buttons. The system events or the exceeding of can also communicate with a range of remote process data down to a few milliseconds. terminals, programmable logic

and to the host central proces

ing appears on the monitor.

sor. For security reasons noth-

The company says that he-cause of the modular nature of the DS SAP hardware and software, system engineering and software design costs are mini-mised, a typical system cost lying between £20,000 and

More from the company at Earl Road, Cheadle Hulme, SKS 6QP (061 485 7121).

gramming (definition of texts, trip points, etc) can be effi-

specialist staff using a function-

oriented plain language which

will also permit on-line modifi-

Data from under the

LIKELY TO find application in a number of areas where data has to be extracted from under-As well as airline and credit water sensors or equipment is an acoustic telemetry system developed by Bell Electronics of Bracknell and now to be marketed on a world-wide basis by Offshore Environmental Systems, Campbell House, High Street, Aldershot, Hants. (0252

315931). The technique is particularly suited to offshore platforms where lengthy cable runs are difficult to install on structures.

Other applications include the transmission of data from submersibles to mother ships and from pipelines and other seabed equipment to ships or surface buoys.

Any analogue device - pressure, temperature or electric current gauge — can be used and bas its output converted by the submerged module into acoustic pulses. When inter-rogated from the surface (or from some other submerged point), the sending device first transmits a master timing another pulse, the time spacing of which from the first emission is a measure of the analogue device's output. A second spaced pulse can give second analogue quantity.

The acoustic carrier frequency is 60 kHz and the total time taken to interrogate a sensor is only a few seconds. Equipment on the surface can deal with up to 80 sending modules. One of the more important

applications to date has been determination of anti-corrosion potentials on submerged North Sea structures.

Clear view of the weld AUTOMATIC welding operations can be viewed directly greater distances the screen

can Optical Welding Monitor 404, launched in the UK by P. W. Allen and Co. The image of the arc is carciently accomplished by non-

ried via a coherent image The impression given is that

of a CCTV system, but the method requires no power, and reduces the brilliance of the co., 253. Liverpool Road, Lonarc so that it can be viewed don N1 1NA (01-609 1102).

through an adapter lens. Focus of the objective lens.

which is placed 3in to 6in from the arc is adjustable. The i-in optical fibre bundle and dis- flexible fibre-optic bundle which played in magnified form on a can be up to 9ft long, is pro-3in by 3in plastics back-projec-tion screen. can be up to 9ft long, is pro-tected by a 0.54in diameter sheath, which has an inside minimum bend radius of 14in; the field of view is 34 degrees. More from P. W. Allen and

Hardening of steel

A DESIGN of vacuum chamber furnace, model VKUQ has been announced by Degussa of Ffankfurt and has a high speed

for the hardening of all airhardening steels, particularly for tools made from alloyed cold-working steels, hot-working steels and high speed steels. It can also be used for bright annealing and de-gassing, for tempering at temperatures above 500 deg C and for brazing.

be supplied, the largest measur-

ing. Two sizes of the furnace can

internally. Maximum tempera-ture attainable is 1,350 deg C and the achievable vocuum is better than one-hundredth of a

quick cooling with inert gases flowing at high speed, with swivelling jets to give even gas distribution over the workpieces, ensure rapid throughput of work. Maximum operating pressure is 1½ bar (atmospheres) so that there is no danger of explosion.

More from Degussa, Postfach 2644, D-6000 Frankfurt 1.

pack weight correct ing 1,000 x 1,000 x 2,000 mm THE NEED for the packaged

gas cooling system that speeds up throughput. The furnace is recommended microbar. Quick, uniform heating and

Guide for the designer

INTENDED AS a working reference book for draughtsmen and engineers who have to design steel structures and components, and translate their designs into working drawings, "Welded Joint Design," by J. G. Hicks, covers the subject in simple clear diagrammatic and tabular form.

It also provides an outline guide to welding processes and their application, and includes bibliography for those who

On the draughtsman's table it Morder should prevent the use on his 6111). working drawings of the opti mistic term "weld here" and instead include details of correct preparation of joints to be welded, and ensure that the welder can actually reach the joint with his torch.

Welded Joint Design, by J. G. Hicks, illustrated, \$2pp, published by Granada Publishing, St. Albans, Herts. 0727 72727.

EXHIBITIONS Big machine tool show

MACH-80 is planned to be the largest machine tool and associated equipment show so far staged in Britain. Products from over 1,000 companies in 25 countries will be on display.

Currently, over 40,000 square comers will probably take it higher. Five of the National Exhibition Centre's seven halls will be occupied. This repre-

(36,000 sq. m.). The aim is to turn the more optimistic undercurrent of the moment into hard business. The

optimism stems from the general recovery of machine tool industries in Europe and metres of exhibition space has from the opening up of new been applied for and late- markets in the developing world. A major effort is being mounted to attract visitors from

MTTA. 62 Bayswater Road, sents an increase of 14 per cent London W2 3PH, 01-402 6674.

worths Holdings where the weighing stations will be located in the plant adjacent to the packing machines. Called K 1000, the equipment will provide alarm, shift and and daily report data, allowing Whitworths Holdings to mee the new requirements while optimising the packing operation and minimising overfill. More from Kins Applied Technology, 141 Garth Road, Morden, Surrey SM4 4LF (01-330)



Company Secretary's Review

Commercial rent review procedure

Industrial tribunals—appeal and review Car leasing—the Budget changes

IN TODAY'S ISSUE

Payments abroad

For the busy professional-essential facts summarised every fortnight in eight pages of invaluable information. Telephone us now on 01-686 9141 for three recent issues, without obligation.

Cards read by terminal FACILITIES for handling mag-netic stripe cards coded to Cards are read by sliding them along a slot at the top right of the keyboard. The card

Transport Association (IATA) standards can hold up to 76 ASCII alpha-are offered by the TEC 70C numeric characters, the data terminal available from Geveke passing into terminal's memory Electronics, Vale Farm Road, Woking, Surrey GU21 IDW (04862 71337).

repeat on all the keys and in puter files; each such access addition to the normal charac- would be logged with the

terminal has a 12-inch screen card transactions, the card can that will accommodate 25 lines also be used for computing of 80 characters in normal or security: it can be coded so reverse video. The detachable that only authorised personnel keyboard incorporates auto- can access confidential comter set there are 32 special

pipework system which are

by extremes of temperature,

pressure or mechanical stresses.

function keys.

SAFETY

identity of the person making the request for the file. Less risk of a leak

Vessel Company, Frimley Road, ground. Camberley, Surrey GU15 200 (0276 64414) has devised what designed to meet individual specifications, and are expected is termed a dual containment system. It is meant to be in- to fall generally within a size

the risk of spillage is unaccept-The dual containment system merely entails the provision of a second, larger diameter pipe, equi-spaced around the main pipe system, either by utilising spacer discs at predetermined and are clamped together round the corresponding containment The system has other applicaintervals, or ribs to act as a containment in the event of

FOR PLASTICS pipework off points are connected to the systems conveying hazardous bottom of the outer containchemicals Chemical Pipe and ment pipe and are led to the off points are connected to the Dual containment systèms are

stalled in those parts of the range 1 inch to 450 mm. The outside pipe would be about adjacent to pedestrian or two diameters larger than the vehicular traffic areas, where inner. branch pieces, fittings are pulse; this is followed by At changes in direction or manufactured in two halves, with appropriate seals inserted,

tions other than avoiding hazards. One of these is keepthe main pipe being fractured ing viscous liquids at an even where warm temperature; liquids must be conveyed, the Obviously, says the company, outer containment can be used longitudinal ribs give a more as jacketing, hot water (or rigid construction than spacer other liquid) being circulated discs, but where stiffness is not through the jacket to keep the of paramount importance, discs primary pipe warm. At present, are recommended as being this would be limited to straight lower in cost. Permanent drain- pipe sections only.

COMMUNICATION

water

How to make the dollar mighty

BY ANATOLE KALETSKI

PRESIDENT CARTER'S faith the Germans, who, in turn, are In moral solutions to economic significantly worse than the problems has been greeted with British, French and Japanese. derision by financial opinion from Walt Street to Bahrain, reflects America's real energy and the dollar has continued to plunge since his "initiative" President's television sermon gallon of fuel than Americans, indgment was the more

President Carter meant? The international investors who are still selling dollars, international competitiveness speed limit.

and a deepening recession More economical driving will which should sharply reduce the not require the total transformatrade deficit, have a stern puritanical streak. Deep down many of them feel, and they are en-couraged in this by European politicians, that Americans must be punished for their wickedness in consuming too much oil.

How can an improvement in -America's trade balance be sustained, ask international inpestors while Americans consume four times as much petrol per head as western Europeans? A recovery in the dollar would only undermine the whole world's efforts at energy conservation if it occurred before the American people learnt to tighten their belts, European politicians chip in sanctimoniously. As long as moralising is the fashion in the currency markets, being a moralist is not only edifying, but also profit-

Vast country

But what the moralists sometimes seem to forget is that the United States is a vast country, with a population density onetenth that of Britain and Ger-

Short of ceding most of the country back to Mexico in a desperate barter for more oil there is little that can be done to reduce American oil consumption to European levels. In relation to their country's linear dimensions Americans use much less petrol per capita than Britons and Germans, though more than the Japanese. Figures for petrol consumption in relation to the length of roads and to the linear population and density, which give some indica-tion of the "need to travel," woul

The statistics that best problem is the ratio between

vehicle-miles travelled and on energy. But the American annual petrol consumption. This people were, by all accounts, comparison shows that Germans initially impressed by their get 70 per cent farther on a Could it be that the people's while Britons travel almost twice as far. Driving more sagacious and that the con- economically, rather than driv-tinuing fall of the mighty dollar ing less, is the key to solving is indeed a moral problem, even America's energy problem.
if not in quite the way that This should involve no great
President Carter meant?

moral or material hardships, since American drivers have long since resigned themselves despite a big jump in America's to a blanket 55-miles-per-hour

> tion in Americans' lifestyles that Europeans are so anxious to see. It will require two vast investment programmes to replace a fleet of 140m oversized, overpowered cars and to introduce public transport in densely populated areas where it could cut congestion and commuting costs. These are not changes that can or should be accomplished overnight:

> An immediate doubling of petrol prices, every-European's panacea for America's problems, would certainly encourage the right long-term investment decisions to be made. But so would a clear commitment to raising prices to world levels over, say, three years.

Sterling crisis

The market's present attitude to the dollar recalls the 1976 sterling crisis. Then it was Britain's Government spending, erroneously claimed to have been wildly out of line with that of other countries, that outraged international investors. It was not until the IMF stepped in to administer symbolic punishment on the Government that the world rediscovered North

Perhaps President Carter should now go and plead with the IMF for a loan. M. Jacques de Larosiere could then appear on television and instruct President Carter to double the price of oil over three years, to invest in public transport and to force Detroit to produce small cars. International investors would be so enraptured to see Mr. Carter and the American people publicly chastised that they would pour their money into America and the dollar would suggest that Americans are America and the dollar wor only slightly more prodigal than become mightler than ever.

hetter served by a specialist nursery on its own. There is one exception, so versatile and so useful that it seems to me to be the answer to everything at this time of year. I refer to the campanula, big, small, biennial, alpine or perennial. I have yet to see one which is not worth

I must put in a word, first, for the Canterbury Bell. If you want good plants of this for next June, you should sow seed at once. It is cheap and easy, but it is a biennial, lasting for only one year. You sow it now, perhaps best in a box in a cold frame. You can prick it and move it into a spare blt of ground, spaced about six inches cup-shaped flowers to a height apart, in early September. of about two feet. Their roots

ing where to turn to fill gaps

Lists of herbaceous plants cause me the most anxiety. I

can see faults in almost any

border plant which I might

choose, unless it is from one of

the great families. Then, it is

quarters.

FROM mid-July onwards. I have some individual plants irises, between stones, beside a easily grown in any open soil. imagine my keener readers strong enough to take their path or on the edge of a slope. For your grey and white garden, reaching for catalogues, wonder- place as early summer bedding. Plain Alba is a lovely white, one called burgholtii is fashion-The pinks and whites are a Telham Beauty is a pretty silver- able and well worth finding. The ing that everything could be pretty match for the ink-purple blue. They last for ever once flowers are a slate-blue which found under one heading and variety, so you can be content you have raised them. Grey- occurs nowhere else. They last nound under one neading and variety, so you can be content for understanding at last, when with a mixed packet. They leaved hostas, striped old roses well and are a fine match for faced with plant-names, why spread out quitte widely and go and a mass of these July flowers stronger colour. But my there was more to learning up to a height of three feet or would suffice for any busy pleasure at the moment comes. Latin at school than gender so. If I was starting a new rhymes and Caesar's winter garden now, they are one of the

gardener. They can easily be split, divided or left to their own devices.

A bolder colour and a bigger over the first blank year, But flower can be enjoyed, however,

GARDENS TODAY

BY ROBIN LANE FOX

time is slipping by and it would in one called latiloba. This will have been wiser to have sown them a fortnight ago.

first plants to which I would

turn in order to tide myself

There would be no such hurry about sowing one of the perennial cousins of Canterbury Bells. Any time in July is ripe for this prudent task. From one packet, you should get 50 or so plants which can be tucked into any border the following year. The prettiest cottage garden in my area is thick with blue and white campanula persicifolia at this very moment. They all began as seedlings. These are the thin-leaved variety whose slender stems are set with open

grow in surprisingly dry shade,

more from an inky-mauve variety called can houtter. This is quite unjustly ignored. It is

a bolder colour. It flowers profusely. You can mass it in the front of a border where its heavy crop of tubular flowers will draw any eye. I consider this a very fine border-plant indeed. You can split it easily into 10s and 20s after a year.

For a long season and two foot high stems of white bells, name of his rarest plant for bourne Manor, Dorset, a carpet you should hunt out alliarifolia mine. Dishelleving him when of them sets off the terrace ivory bells. This useful plant has still not made the name which it deserves. The rough even at the foot of a hedge. It and heart-shaped leaves will through my teeth and claimed is about three feet tall, saucer grow almost anywhere, even in in grow companies morettiana dry shade. The stems arch alba in the open. In fact, the prettily and although the sings ate my only plant after they last from late June until plants at times from Broadwell September or later. Everybody Nurseries in Moreton in Marsh. bothers with this equally oblig-ing campanula. One plant multiing campanula. One plant multi- he soon trumped it with tales plies into a mat. I have become of his 16 mimosas, five corda-

very fond of it.

Any small campanula is worth encalyptus. There are no frosts buying and growing. Some are in the gardens of the mind very rare. I was trapped The white-flowered small.



mine. Disbelieving him when he told me that his was an elder-bush from Java, I fied flowers are not in the first class, a year. You can buy very young knows the hosta. Nobody The name took my competitor by surprise for a moment. But:

of them sets off the terrace above a fine white garden. The hest ones have ash-grey leaves to complement their sheets of flower. Mist maiden garganica alba, white arvatica white hallis and one which I believe to be E. H. Frost: any of these are worth grouping beside a path, along a wall or in paving stones, though their vigour varies. The plain white form of carpatica is one of the strongest whites around, so be sure that you can place it. It is a hard colour, but a bright So much for the saucer buying and growing. Some are in the gardens of the mind. Nebody would ever flowered ones. I think that they very rare. I was trapped. The white-flowered small the merit of most of this are certainty the boldest recently at Kew by a vigion campanulas make a charming precious family, the best value. Refined readers would also like who told me that he grew 2,000 edge if you can still find them, as garden plants to be found the tubular-flowered varieties, species of half-hardy threshes in it is this group on which I at all heights at this time of far too seldom seen, though very Richmond and would swan the would like to end. At Cran.

Oldstock set to make amends

IT RARELY pays to ignore the wood, at the end of last season, claims of a Guy Harwood- as possibly his best 1979 prostrained animal when it has been earmarked for a specific race and this is especially true of the Pulborough trainer's three and four-year-old handicappers.

Although a good many antepost backers came unstuck with his Haul Knight, which finished

RACING BY DOMINIC WIGAN

third in the John Smith Magnet Cup, after being backed as if nuccess was a formality, they and many more have taken the plunge on stablemate Oldstock. The three-year-old is now a clear favourite at 8-1 for the Stewards Cup.

This time, it appears more than probable that win-andplace backers, at any rate, will collect, for it is difficult to see the bay not finishing in the first four.

Oldstock was rated by Har- that amount.

pect, after Ela-Mana-Mou and Young Generation. He has been slow to show true ability but gave a clear warning at Haydock this month that, given a reasonable draw and good or fast conditions, he could well be the one they will all have to beat in next week's renewal

Sporting Chronicle Handicap. Oldstock, a rangy Sovereign Path colt with much room for improvement, held on gamely close home after coming to the end of his tether to beat Bold Shot by ½ a length. Had that race been a furiong shorter, and over Goodwood's far less taxing course. I feel sure that Oldstock would have made light

Piggott, who took the two

· · · · · · · · · · · · · · · · · · ·	_
SANDOWN	
-Pace Jean	•
-Beldale Bang	: 1
–House Guard* –Parthian Lad***	
-Philogyny	
-The Escaper**	

6.15-6.50-7.25-

Squirrels. 11.40 SWAT. HTV 10.30 am Ali Snails and Sauerkraut.
11.00 Thingummylig, 11.25 Southerners.
11.55 Peer Gynt. 1.20 pm Report Wast Headlines. 1.25 Report Wales Headlines. 5.20 Crossroads. 6.00 Report West. 6.15 Report Wels. 6.30 The West. 6.15 Report Wales. 6.30 The Lovers. 11.40 Celebrity Concert. HTV Cymru/Wales—As HTV General Service excapt: 1.29-1.25 pm Penswdau Newyddion Y Dydd. 4.29-4.45 Rydw 1 Am Tod. 6.00-6.15 Y Dydd. HTV West—As HTV General Service except: 1.25-1.30 pm Report West Headlines. 6.15-6.30 Report West.

10.30 gm All Snalls and Sauerkraut
11.00 Time of the Hawks. 11.55 The
Southerners. 11.15 Cartoon. 1.25 pm
News. 5.15 Popeye. 5.20 Crossroods.
6.00 Scotland Today—Summer Extra.
6.30 Talking Scots. 11.40 Late Call.
11.45 The Entertainers—Patti Boulaye.

SOUTHERN 10.35 am All Sneils and Sauerkrout.
11.00 Thingummylig. 11.25 Southerners.
11.55 Melotoons. 1.20 per Southern
News. 2.00 Houseparty. 2.25 New
Forsst Show. 5.15 Betty Boop. 5.20
Crossroads. 6.00 Day By Day. 6.35
Scene Mid-Week (South East area
only). 11.40 Southern News Extra.
11.50 George Hamilton IV.

only). 11.40 Southern News Extra.
11.50 George Hamilton IV.
TYNE TEES
9.25 am The Good Word, followed by
North East News Headlines. 10.30 All
Snails and Sauerkraut. 11.00
Thingummyig. 11.25 The Southerners.
11.50 Cartoon Time. 1.20 am North
East News and Where the Jobs Are.
5.15 The Brady Sunch. 6.00 Northern
Lifa. 11.40 Police Woman. 12.40 am
Eolloque.

ULSTER ULSIER

10.20 am All Saells and Sauerkraut.

11.00 Thingummylig. 11.25 The
Southerners. 11.50 Cartoon, 1.20 pm
Lunchtime. 4.18 Ulster News Headlines. 5.15 Cartoon Time. 5.20 Crossroads. 5.00 Ulster Television News.

5.15 The Sound of the Settlers. 6.30
The Flintstones. 11.40 Take The Mick.

12.05 am Bedtime.

WESTWARD

10.25 am All Saelis and Sauerkraut.

10.25 am All Snaits and Seuarkraut.
11.00 Thingummylig. 11.25 Southerners.
12.27 pm Gus Honeybun's Birthdeys.
1.20 Westward News Headlines. 5.15
Little Vic. 6.00 Westward Diery. 10.38
Westward Late News. 11.40 The New
Avengers. 12.35 am Faith For Life.
12.40 West Country Westher and Shipnion Forecast. YORKSHIRE

10.30 sm Moby Dick and Mighty Mighter. 10.45 Airight Now. 11.10 Young Ramsey. 1.20 pm Calendar News. 5.15 Out Of Town. 6.00 Calendar (Emley Moor and Belmont aditions). 11.40 The Odd Couple. 12.10 am The Entertainers.

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FORRIDGE (A.), Frogs. 1.10, 3.30, 5.55,

8.20. LASSIC, Leicester Square, 930, 6915. Lee Marrie, Robert Shaw AVALANCHE EXTREMS (AL 12.25, 2.00, 4.10, 6.25, SATISTICS CALL 12.25, 2.00, 4.10, 6.25, 2.35.

CLASSIC POLY, Outed Circum (Upper Regent S.), 637 9863, 114 8079 PROMISERAL (IC.), 170, 4.55, 5.40, 18LAND OF DEATH OO. 2.15, 7.00.

CLEEN SATISTICS STREET WIT: 192-3737, Folly Air Conditioned, 125 EPAICK In 199-3737, Folly Air Conditioned, 125 EPAICK In 199-3737, Folly Air Conditioned, 125 EPAICK In 199-38, 10, 6.27, 8.20, 4.5 near perjection as one could miss with 199-38, 199-38

AND WATER PROPERTY TO MERCE SPECE LONG ACC. MCC. 379 5815. Mon. 52 11-5 MIKED SHOW LANDSCAPES TO ABSTRACT. MCC. 165 PICKNIPS and Spining Blow. Blow.

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Street, W.1. 439, 1856. HEMRY MOORE
Drawings- and Watercolous 1327-58301, 1869-1869. Watercolous 1327-58301, 1869-1869. Only 30-5.30, 268WADDINGTON: GALLEROS. 46 CAPS
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STREET, 1869-1869. 2001. 18692001. July Daily 19-5.30. Street, 1871.

BBC 1 6.46-7.55 am Open University

(ultra high frequency only), 9.30 Rosbarb. 9.35 Jackanory. 9.50 C.B. Bears. 10.16 Why Don't You . . . ? 10.35 The Flashing Blade. 1.15 pm News. 1.30 Barnaby. 4.13 Regional News for England (except London), 4.15 Play School (as BBC2 11.00 am). 4.40 Vision On. 5.05 Wildtrack. 5.35 Captain Pugwash.

6.20 Nationwide.

8.10 The Omega Factor.

9.10 News. 9.35 Lena's Music. 10.10 Come Dancing. 10.56 Medical Express.

11.20 The Music Makers. F.T. CROSSWORD PUZZLE No. 4,030

ACROSS

1 Town in Norfolk always cut 5 Be a bird and make a hasty departure (4, 2) 9 Fish a location with syco-

phant (8) 18 Soldiers spin around and pull
2 muscle (6)
11 Handled material (4)
2 muscle (6)
15 Two groups of soldiers going a muscle (6) 12 Say farewell and get a holi-

16 Travel in explosive aircraft 19 Impel to accept first half of

21 French key in article forfeited (4) 24 Continental root vegetable

27 Soldiers with thick string and tape (6)
28 Thought it could be a posture (8) 29 Incongruous piece of plaster

DOWN 1 Appoint as agent and put in river (6)

2 Stop working a geological discovery (6)

6.50 The Wonderful World of Cricket: Glamorgan v India. 1.45-Disney. Cricket: Glamorgan v India. 1.45-440 Afternoon Out at the Royal 7.40 The Liver Birds.

4 Withdraw the essence (7)

6 Ley stress on to see his map distorted (9)

7 Vagrant went in front and

8 A net put up over metropolis

to ground—that's elemental (4, 5)

trod forcibly (8)

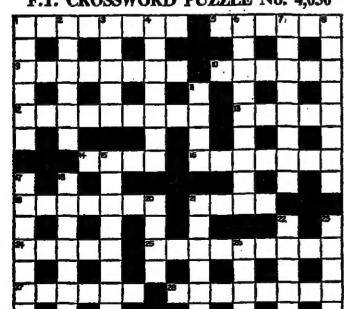
for obstinacy (8)

going over shrub (6)

Solution to Puzzle No. 4,029

Scouts may be (8)

way (8)



day (4, 5)
13 Snake I caught in the jelly 17 Publicises outing from run-

14 Worry about ornamental net- 18 Blow in a superior joint? (8) 20 Thrash to add a little spirit 21 Singer taking part of bagpipe 22 Waylay a military leader ride and thus endanger (7)

23 Diligently applied as Boy 26 Hush. it's a card game (5) 25 Fish with female cleaner (9)

ORMPIPE IMPOSE O A A O D Z S TAMEDOWN ASSIST EVDE RVE LAMDLORD GRVEVE SEEKACOM COMPROMISE put to your head (6) Note it could be a whim (8) 3 Art supporter is to move slowly left (5)

5.40 News 5.55 Nationwide (London and South-East only).

at the following times: Scotland: 5.55-6.20 pm Report-ing Scotland. 12.10 am News and Weather for Scotland. Wales - 11.30 am - 1.15 pm Welsh Show. 5.05 Stangdifang.

The Omega Factor.

A Party Political Broadcast by the Conservative Party.

News.

A Party Political Broadcast by the Conservative Party.

News.

A Party Political Broadcast by the Conservative Party.

News.

A Party Political Broadcast by the Conservative Party.

1.25 5.35 Dan A'r Deingsor. 5.55 Dan A'r Deingsor. 5.55 Dan A'r Deingsor. 5.25 D 9.00 A Party Political Broad-

12.10 am Weather / Regional Ireland.

All Regions as BBC-1 except East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth). BBC 2

10.20 Gharbar. 11.00 Play School.

6.55 Adventure. 7.45 Mid-Evening News. 7.55 Mother Nature's Bloomers. 8.30 Seven Artists. 9.00 A Party Political Broadcast (as BBC-1).

and Jean-Lois Trintignant. 11.15 Late News. 11.30 Open Door.

12.00 Closedown reading. LONDON 1.20 Thames News. 1.30 Crown Court. 2.00 Afternoon Plus at Home: 2.25 General Hospital. 3.20 About Britain. 3.50 Definition. 4.20 The Sooty Show. 4.45 Enid Blyton's Famous Five.

Radio Wavelengths

Northern Ireland 4.134.15 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 12.16 am

News and Weather for Northern England-5.55-6.20 pm Look

6.46-7.55 am Open University. 4.50 Open University.

9.10 My Music. 9.35 "A Man And A Woman," starring Anouk Aimée

9.30 am The Living Body. 9.45 It's More Life. 10.05 Farmhouse Kitchen. 10.30 Australian Snakes. 10.50 Family. 11.40 Rocket Robin Hood. 12.00 Cloppa Castle. 12.10 pm Pipkins. 12.30 Emmerdale Farm. 1.00 News, plus FT Index.

9.25 am First Thing. 10.35 All Snails of Sauerkrout. 11.00 Thingummyig. .25 The Southerners. 11.50 Cartoon

10.30 am Tarzen, T1.15 Clapperboard. 11.40 The Beetles. 1.20 pm Dick Trecy. 5.10 Felix The Cat. 5.15 Crossroads. 6.00 Granada Reports. 6.30 The BEC Radio London: 1458kHz. 200m & 94.9vM

Listen With Mother. 12.00 News. 12.02 pm You and Yours. 12.27 I'm Sorry I Haven't A Clue (s). 12.55 Weether, programme news. 1.00 The World At One. 1.40 The Archers. 1.55 Shipping forecast. 2.00 News. 2.02 Women's Hour. 3.00 News. 2.02 Women's Hour. 3.00 News. 2.02 Women's Hour. 5.00 Shipping forecast. 5.55 Weather, programme news. 5.00 News. 5.30 The Enchanting World of Hinge and Bracket (s). 7.00 News. 7.05 The Archers. 7.20 Let's Get This Settled. 7.45 Lifelines in Medicine. 2.46 Where God (s Black: Christians talk about their experiences in Ugunde. 9.30 Kaleldoscope. 9.59 Westher. 10.00 The World Tonight. 10.30 Round Europe Oulz. 11.00 A Book At Bestime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 News. London B 94.3 mf

Capital Radio:
1568hik, 196m & 95.3 mf

London Broadessting:
1151kik, 25tm & 97.3 mf

London Revis.
25tm & 97.3 mf

London Broadessting:
1151kik, 25tm & 97.3 mf

London Revis.
25tm & 97.3 mf

London Live.
25tm & 97.

5.00 am Morning Music. 6.00 The AM Show. 10.00 Brien Hayes. 1.00-8.00 pm LBC Reports with George Geis at 3.00. 8.00 After Eight. 9.00 Night-line. 1.00 am Night Extre. Inc. 1.00 am Night Extra.

Capital Radio
6.00 am Graham Dene's Breaklast
Show (s). 9.00 Michael Aspel (s).
12.00 Dave Cash (s). 3.00 pm Roger
Scott (s). 7.00 London Today (s).
7.30 Jazz en a Summers Day with
Adrian Love (s). 9.00 Nicky Horne's
You' Mother Wouldn't Like it (s).
11.00 Mike Allen's Late Show (s).
2.00 am Mike Smith's Night Flight (s).

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EVS. 8 pm. Friday and Set. 8 pm and
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LAST, day, "AGATHA (A)

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4470; A. Wei, Brooks, Double Trees, 4470; A. Wei, Brooks, Double Trees, 200; S.55; SLEENT MOWIE (A), 3.35; JA15; JA16; SIGN File and Set. 10.56.

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STUDIO 1 2 3. Oxford Circus. 457 7300.
125. Sea 10.50.
1 THE DEER HUNTER IX. 12.45. 4.05.
7.20. Late Show Sec. 10.50.
5. Appearin Gratte's DEATH ON THE NILE GAL. Pross. 2.30. 5.25. 8.10.
Late Show Set. 10.40. ART GALLERIES

buying. You could fill a garden with our native harebell and still be proud of it. But there are many others, ell at their best in July.

flowered and quite indispensable among shrubs, roses or out-ofseason clutter. You can pull dozens of new pieces off any old plant. The variety called Percy Piper, after the hybridist at Bressingham Nurseries, Diss, Norfolk, is an especially deep blue violet. It goes well with white. The clumps end up by blocking out weeds.

In April next year, you would will fit in anywhere, among far too seldom seen, though very Richmond and would swap the would like to end. At Cran-year.

Provided that the weather in the London area has not deteriorated badly by this evening tonight's Sandown card should afford some enjoyable racing Playboy Bookmakers sponsor three events, including the tricky Playmate Handicap, which many backers will be rowing in with Lester Piggott and House Guard.

other Playboy events last year through Solimena and Cele-brated, should get his brotherin-law's four-year-old home, provided that he can hold House Guard up for a late thrust. Thirty-five minutes later backers may well do best to take a chance with Parthian Lad, leniently treated with 8 st I lb in the Playboy Bookmake

ers	Evgs. 7.30. Tonight At the inn. Women-General's of Family. The Autumn River, 1 Fire.
	ROYAL FESTIVAL MALL. July 30—For One Week GALA BALLET SEASO Maine Gleighd, Yoko Morthill Samoval, Martine Vap Hannel
	Keily, Kevin McKernie, Peter Technitary Shimiru. Gaia fie and corps de ballet. Act R. S. Act 3 Sheping Beauty, and a of popular diversisaments. B Mat. Sat. 3.00.
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ALBERY, From .8.30 am Incl. Sunz. 836 3878. CC bookings 836 1071-3, Evgs. 7.45. Thors. and 826. 430 am 8.30. A THOUSAND TIMES WELCOME IS FIONEL BART'S OLIVER "MIRECULOUS MUSICAL"

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the Spillers event. Backed down to 5-2 at Haydock from double those odds for the Lancashire course's

of his task. Set to carry 8 st 7 lbs in the Stewards Cup, Oldstock has the class and frame to defy a stone more, should, as is anticipated, all the weights be lifted by

5.15 Batman, 5.45 News.

6.00 Thames at 6. 6.25 Help!

6.35 Crossroads 7.00 Don't Just Sit There. 7.30 Coronation Street: 8.00 Ain't Misbehavin'. 9.00 Party Political Broadcast by the Conservative Party. 9.10 Maryport.

10.40 Murder At The Wedding. 10.40 Crits. 11.55 Barney Miller. 12.25 am Close: Personal Choice with Michael Burrell.
All IBA Regions as London except at the following times:

ANGLIA

10.30 am All Snails and Sauerkraut. 11.90 Thingummyig. 11.25 The
Southerners, 11.95 Cartoon Time. 1.25
pm Anglis News. 2.00 Houseperty.
5.15 Mr. and Mrs. 6.00 About Anglis.
11.40 Power Without Glory. 12.40 am
The Rig Question. The Big Question. ATV

A.1.V
3.15 am Something Different. 10.30
Here Comes Mumfie. 10.40 The Nature
of Things. 11.35 The Lone Ranger.
120 pm ATV Newsdask, 5.15 Sam. 6.00
ATV Today. 11.40 Have Girls, Will
Travel. BORDER 10.35 am All Snails and Sauerkraut.
11.00 Stars On ice. 11.25 The
Southerners, 11.50 Cartoons, 1.20 pm
Border News. 2.00 Houseparty, 5.15
The Flintstones, 6.00 Looksround Wednesday, 11.40 The Andy Williams
Show. 12.10 am Border News Summary and Weather.

CHANNEL 1.20 pm Channel Lunchtine News and What's On Where. 5.15 Little Vic. 6.00 Channel News. 5.15 One Man's Music. 9.00 A Chance to Meet. Leslie Crowther. 10.38 Channel Late News. 17.40 The New Avengers. 12.35 am News and Weather in Franch followed by Epilogue. GRAMPIAN

11.25 The Southernera. 11.56 Carbon.
Time. 1.20 pm Grampian News Headlines. 2.25 Family. 5.15 Wild, Wild
World of Animals. 5.00 Grampian
Today and Farming News. 5.15 Laverne
and Shirley. 11.40 The Child Wests A
Home. 12.10 am Reflections. 12.15
Grampian Lats Night Headlines. GRANADA

Hour. 2.00 London Live. 12.03 pm Call In. 2.03 206 Showcase. 4.03 Home Run. 7.00 Black Londoners. 8.00 In Concert. 10.03 Late Night London, 12.00 As Radio 2. 12.06 am Question Time. 1.05-5.00 Join Radio 2.

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1. 184 - 1745 A

Te miga A STATE OF BE Television

Great moments preserved by CHRIS DUNKLEY

The popular myth about Times would have it, though counter marching guards and tion (or luck) which is neces-watch as it actually happenedtelevision. Theing hotably Firenze Athlina Moskva and so the athleticism of the eary before television can ful-just as though the citizens of on the mode and of the investicarried a lemon yellow umbrella ture of the Prince of Wales to match the skirt whose hem would bavet passed virtually came well above her knee and unnoticed had it not been for dated the programme as specitelevision's love of all anniver fically as a postmark, or this year saries great and small if tele-vision really where ephemeral.

three weeks late in commemo walls rating the royal occasion, yet. The a cannot be accused of doing had an unexpectedly powerful

when Prince Charles and Cliff Morgan gave a marvellous we should hardly have been demonstration of the stiff upper afforded the nostalgia contest up, sitting isolated but upflinching hard and ITV laid on ing on an exposed slate podium True the BBC was alone and huddled in the lee of the castle songs, incomprehensive even to

The archive programme which things by halves; not only did period flavour to it (surely no-BBC2 broadcast in Saturday an hody would dream of construct-added version of the investiture ing that trendy transparent itself complete with the uncom- canopy today) very successfully prehending silence which recalled the brief period of greeted Prince Charles's British over-confidence which reference to Wales producing a membrable Goon, but on Sun 1869 but which flavoured the day BBCi followed up with an investituture with a peculiarly hour of musical Celebration.

Both events occurred at Caer The feel of Celebration, narvon (or Caernarion as Radio despite the efficiency of the

is familiar from so many other programmes over the years from Scotland and Ireland as well as Wales) of the too-conscientious exhibition of what is fondly regarded as local colour, always there are singers or musicians against massive castle walls and louring skies; always they wear dreary locally crafted clothes; other locals: and always there are harps around somewhere. Anyone who has heard Weish-

men giving voice freely whether it be at Cardiff Arms Park absent from the BBC's Celebration.

enough but lacked the inspira- those with access to a screen to

to communicate the achievements of the few to the eyes and ears of the many. Occasionally it happens in a sports programme (the All Blacks playing the Barbarians for instance) and once in a while during a documentary (an Omnibus epi-sode called "Big Ware" about a maker of giant flower pots comes to mind) but most often it occurs in current affairs programmes when the subject is quite beyond television's own control.

The space programme was probably the best ever example before a rugby match or in the of this. The BBC's Project back har of the Ship Aground Apollo showed it was to a large Apollo showed it was to a large on a Saturday night in extent a propaganda exercise. Talsarnau knows the true magic but it was certainly not that and majesty of Welsh singing alone which made television and knows that it was sadly such an important part of the whole business: It was the fact that television could be there The programme was dutiful in real time and could allow all

athleticism of the sary before television can ful- just as though the citizens of bought from the independent

incidentally, the anniversary programmes convioced me that Neil Armstrong must have over-rehearsed his famous line and lost the indefinite article. He was surely intended to say That's one small step for a man but one great leap for mankind." Thank goodness for the less contrived earlier and far more dramatic message which came to us so clearly across 239,000 miles of space. "Tran-239,000 miles of space. quility base: the Eagle has landed.")

The main point I want to nake about the moon landing is that, like the investiture, its 10th anniversary was brought to our attention and the occasion was replayed for us not by the colour magazines, not by radio, and not by newspapers not in any widely noticeable way at any rate—but by television. It is more proof if any were needed that "ephemeral" is just not an accurate word to describe the technical drawbacks of television which are to do with access, availability and timing and nothing at all to do with traiscience.

The Onedin Line, salling into yet another series in real ships —no prissy tank shots here, thank goodness—is approaching its ninth year, and still James does not understand women; he has just bought wife Letty a 12bedroom mansion when she particularly wanted a small villa. Twas ever thus, there is nothing in the least ephemeral about the series. The word cannot even be applied to individual episodes since any viewer may rept a video recorder and collect programmes like books.

It is worth returning to the

space programmes, however, because as well as discrediting the old "Here today, gone today myth they also exemplified intriguingly contrasting ways of approaching a single subject. Project Apollo was methodical, explicit and analytical. Space Morie on ITV was discursive, impressionistic, and emotional. If you happen to have been excited by space exploration and seen it as mankind's only outgoing, striving, yearning effort for a very long time then Friday was a good day to have a video recorder because the two programmes (which clashed preictably enough) complemented one another.

The Space Movie, which ITV "ephemeral" was shown up in on still appear sensibly in their orchestra's conductor, was conall its faischest yet again dur. English versions) and it was a strastingly dull and second-rate.
No doubt this was partly due to the smothering effect (which were the weather in 1959, when the Queen to the smothering effect (which were the weather and to the smothering effect (which were the weather and to the smothering effect (which we are the smothering effect ((While we are on first steps, about everything he has ever written by the sound of it, from Tubular Bells to On Horseback. Those who feel his music eventually grows monotonous will presumably have had the sound turned off long before the film had run its full 90 minutes. Palmer's opening sequence

was surely just what was wanted: Kennedy declaring that America chose to accept the challenge of space, then a little about the Russians, some weightless floating, and straight into the marvellous adrenalininducing build-up to blast off. it was hardly Palmer's fault that ITV at its most bathetic anđ cynically allowed his film to approach its first superbly orchestrated climax, and then on the words "Three! Two! One!" cut into an advertisement for "The Big Q Sale." (In London, anyway. Other ads in other regions, no doubt, but all at the same disastrous point)

The Space Movie was billed as a celebration," and so it was. Its appeal to the emotions via pictures and music will certainly be even more powerful in the cinema where it is later due for release

The BBC's Project Apollo was a far more conventional television work, complete with personable presenter — James Burke — and an emphasis on television being words. primarily a verbal and not a visual medium. Stuart Harris' programme also exploited some interesting techniques such as a four-way split screen in which the narrative was pushed along by freezing the action in successive quarters. Typically, however, while The Space Movie was getting its effect from a big close-up on a massive caterpillar track advancing through heat haze with Oldfield's glockenspiel tinkling on the soundtrack, Project Apollo was showing Burke announcing crisply Forty seconds later this light came on, then this

The BBC took clever advantage of its greater facilities in time and channels and mounted on BBC2 a second part to the programme which looked into the politics and propaganda of the space race and asked why nothing failed like success. thus ensuring that the main programme on BBC1 did not turn the commemoration of a great achievement into a snide post mortem. On the other hand, Burke and Harris cannot be accused of anodyne celebrations because they did have Part

Yet the BBC effort was cerboth exist, glad of a video recorder to make both accessible. and glad of a medium of permanent record such as television to ensure that the first step on the moon and similar ephemeral events are preserved for posterity.



Liza Minnelli and Tim Wengerd in "The Owl and the Pussycat

Covent Garden

Martha Graham Gala by CLEMENT CRISP

Three years after storming energies seemed more strongly the Bastille of classic dance, muscled, weightler; only in the Martha Grabam has returned closing section did the Grabam to the Royal Opera House with her company for a two-week season. We began on Monday, as we did in Bicentennial year, with Graham herself, enthroped and enthralling on the stage. talking to us with wisdom and

humility and boundless charm, recalling how Starke Young said 'I always feel she's going to give birth to a cube on stage and telling us how to dance "Is to learn the language of this creature" as she gestured to her body.

in Errand in to the Maze. Both tainly not in all ways superior still respect the questioning, nice disregard for the innocence to Palmer's. One is glad that and the answers, to which and inconsequentiality of the Granam nas devoted Her genius.

than heretofore. In Diversions distorted or traduced in graceful, too well-polished. Its thought it beastly. But there are impetus was fast, but I tressure better things to come in the earlier performances in which season.

manner look inevitable, Ats power uncorrupted by a balletic fleetness.

In Errand into the Maze Peggy Lyman became the authentic expression of Grahamesque suffering, drawing us into the labyrinth of her auxiety; but here again the Creature's lower ing presence seems altered, with George White Jr's dancing more fine-drawn than in previous interpretations. . .

About the closing The Out We were then shown the lan- and the Pussycat, which is only guage she has taught us, first in a year old, I must admit com-Direction of Angels, and later plete incomprehension. I find it wrong-headed on every count. are major works in the Graham There is a raucous score by canon, dating from the late Carlos Surinach which accom-1940s with Direction a celebra- panies a series of tableour tion of a joyous serenity of flesh mourants that batten, upon poor and spirit, Errand an explora- Edward Lear's text. Additional tion of the mind's anguish made mayhem is created by Liza starkly real. Where Graham has Minnelli who orates the verse, journeyed we have followed., line by line, word by word, with and in her company today we a monumental archness, and a deinal. Everv phrase is vocal But I must record that I find belaboured; every incident in the Graham style lighter, neater—the story is choreographically the dance looked almost too gratuitous search for comedy.

Cambridge, Massachusetts

Full Moon in March by ANDREW PORTER

· John Harbison, born in 1938. is one of the more important King (a cole omitted in Full of Arthur Duff's for Clock Toucer American composers of his Moon) sighed, shook himself fulfils the poet's wish for songs generation. His brekground is like a dog, and said, 'Well, may in which "every word . . . every Princeton-Roger Sessions and the spirit of Mr. Years be with cadence, is audible and expressince 1963 Cambridge, Mass., us tonight, and may it spread sive as if it were spoken, first at Harvard and then at the itself a bit and give a clue to "music that shall mean not Massachusetts Institute of Tech- the audience as to what it all or next to nothing apart from nology (which, despite its name, is that we be talking about." the words." But Fighting the is a large and important all- in Fall Moon, a coarse Swine. Waves, another de Valois-in-round university). He is a herd comes to the Queen who spired piece, had a fierce, tascher, a conductor, and above his promised her hand to him assertive score by George all, a compression of marks that "this heat since his model." all a composer of works that "that best sings his passion." easirine poetic visions in Before he can sing, he is beprecise lyrical, and beautifully wronght music. Some early with the head, and it sings to pieces are available on record; her. "She stood all bathed in later ones that I have admired blood. The blood begat." It ere-Diotima, a tone-poem after Hölderlin premiered by the the author's long, oft-expressed Boston Symphony in 1977, and obsession with the Muse and The Flower-Fed Buffeloes, a the Poet; aspects of Maud Gonne cycle for baritone, chorus, and and Years; the lovely, lonely seven players premiered at a virgin and the ardent, aspirant Speculum Musicae concert last man who at once is her victim

He has written two operas: Winter's Tale, which is having have been various and contrais first performance in San Fran- dictory. Harbison set to work cisco later this summer, and Full Mnon in March, which was it might mean. According to given its first performance this his note, "this opera was writspring by the Boston Musica ten in a non-reflective state, well Viva in Harvard's Sanders before any effort had been Theatre. The text is Harbison's own abridgement of Yeats' late beyond the absorption of the dance-play; itself Yeats' rework-images." Seized by mystery and dance play, itself Yeats' reworking of The King of the Great power of the rite, he "enacted" Clock Fower, written for Ninette it with the vivid and beautiful de Valois in 1984. It is one of music, for mezzo and baritone, his ritual works influenced by soprano and tenor as chorus, Noh: just two characters, the and an ensemble of eight Queen and the Swineherd, and players. (The piano is "preachouse of two and behind it pared" so that it serves as a hints of Orpheus, Sciome, Turandot, and Mallarme's, Hérodiade, strument, a jeu de timbres.) In Lynne Donce with Me. What has been published of Dame Ninette recalls that after Edmund Dulac's and Walter the dress-rehearsal of Clock Rummel's original scores for

seems to be a late epitome of

and fructifies her. Commentaries on the play without fussing too much what made to understand the matter, protean, exotic percussion in-

" music that shall mean nothing. assertive score by George Antheil, and in allowing it Yeats said he had "gone over headed; but the Queen dances to the enemy." Drum, flute, and aither are the only instruments he specified for Full Moon, which contains four songs and a dance framed in blank-verse dialogue and choric commentary. Harbison has set it to continuous music: from the dialogue he extracted an aria apiece and a duet for the Queen and the Swineherd.

The songs are recognisably songs, sung to strong melodies of bold outline and sensitive

iwerful: arab ues iron bass clarinet add poetic overtones to his blunt statement. The Queen is a cousin of Szymanowski's Roxana; her music is wound with a sinuous oboe line. In their duet, the two lines are excellently opposed, and so led that even when they join in octaves or tenths they seem to be in emotional conflict. The dance is animated and graphic but not vulgar. The final, lofty choric ("Why most, those holy, haughty feet descend") recalls the chorale at the end of The Rape of Lucretia in motion. texture, and even

conducted by Richard Pittman. was well played, and it was well by D'Anna Fortunato,

better balanced.) The staging was commonplace, and the Queen's final scene lacked the resource and personality for the climax of the rite. Harbison's music is hard to

describe, One can point to parallels here with Stray describe, insky, here with Szymanowski here with Britten-but it doesn't sound with eclectic and it does sound personal. It is unfailingly lyrical, and non-doctrinaire. The timbres often have an Oriental tinge; the harmonies are Western. It is imaginative music written witharmony. 'out preconceptions, under the The Cambridge performance, inspiration of the play, directly and fluently, and then carefully refined by someone with a keen ear for expressive connotations David Arnold, and as the chorus of timbre, harmony, and Cheryl Cobb and Kim Scown. melodic gesture. Full Moon in But Sanders is a place of tricky March is an opera that held the acoustics, and the instruments ear and stirred the mind. It rhythm, with something of a tended to drown all voices ex- lasts 35 minutes. British com-ballad cut about them. The cept Mr. Arnold's. (My review panies contemplating a triple ballad cut about them. The cept Mr. Arnold's, (My review panies contemplating a triple Swingherd's aris is moving and is based on supplementary hear-bill should consider it.

Bristol New Vic

Eau for a Muse

by MICHAEL COVENEY

Michael Rothwell; a leading one man show specialist in these parts, is enseniced, until Saturday, in King Street as part of the World Wine Fair and Festival currently enlivening the city. His sponsors are Perrier. Mr. Rothwell judiciously places one of the famous green bottles on the set, which comprises garden furniture, several large potted palms and, centre stage, a prac-tical Twyfords basin decked out with greenery. Enter our host in a heavily pressed lounge suit that is either green or grey or perhaps both. He resembles Mike Yarwood, but reminisces in the style of Arthur Marshall.

The extremely subtle presentation is a combination of childhood memories in the aftermath of war and of literary quotation from sources as diverse as Swift. Thomas Hood, Alan Bennett, Hans Christian Andersen and Longfellow. Wrestling with some soda water equipment, Mr. Rothwell hilariously recounts how he produced an explosion so enormous "that it locked cupboards in the kit-chen." Tales of amateur dramatics in Sheffield find their place as evidence of an oasis of culture in the slums. And we learn that the first publicizvatory in London was erected for the Great Exhibition and that an American, Thomas

Crapper, merits a mention in for exhibition with the title the history of lavatory humour. "Anaemic young girls in white European spa towns and a good munion in a blizzard." I found selection from Mr. Rothwell's the delightful strains of Saintfavourite absurdist. Alphonse Saëns distracting me from the Allais, who devised a frosted recital every now and then but,

We have a lightning tour of dresses going to their First Comaquarium for shy fish. (Allais, in all, this is the best, and most Mr. Rothwell reminds us, once original, one-man entertainment submitted a blank white canvas. I have seen in a long while.

Dance Theatre of Harlem

Sadler's Wells Theatre is have week to satisfy ticket demand.

ing a two week season of Dance Dance Theatre of Harlem Theatre of Harlem from (directors Arthur Mitchell and August 7-18. This has become Karel Shook), the world's only possible due to the company's black classical ballet company, engagement at very short notice present a mixture of their most to appear at the Venice Festival. popular works from previous When the Company visited the seasons at Sadler's Wells to-Wells for the first time in 1974 gether with new ballets. They they were a sell out and had to perform in a repertoire of three come back for an unscheduled separate programmes.

pany is to undertake its second Southing and Brecht's The Successive small-scale tour Caucasian Chalk Circle. the regions in 1978.

weeks visiting 26 towns in who sponsored the RSC's 1978 England with two productions, small-scale tour.

RSC's second small scale UK tour The Royal Shakespeare Com- Shakespeare's Much Ado About

The tour is part of the following the success of its national touring programme pioneering small venue tour of arranged by and with financial assistance from Arts Council Starting next month a com- Touring and is made possible by pany of 15 actors will spend 15 the support of Hallmark Cards

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Smith's Dock

bbs - 2,300

Loss - £6-1m

tis: 10,000

British Shipbuilders

Austin & Pickersgill obs: 2,900

FINANCIAL TIMES

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Wednesday July 25 1979

Spending 'cuts' in context

IN. THE past few days the in Holland But it was not Mrs. media have been lurid with Thatcher who made public reports of massive cuts in public spending under discussion in a divided Cabinet. Figures of £4bn or more have been rumoured, and trade union leaders have been busy translat-128 these into thousands of lost Yet as the Chancellor ruade it clear at the FT Budget continuing economy can be Conference on Monday, the achieved. Cutting capital invest-Cabinet has not strictly been discussing cuts at all. The effort for next year, like the cuts in Sir Geoffrey's first Eudget, are simply designed to hold the total of public spending where Labour left it in ambitious programme of asset which Labour had regarded as uptenable after the pay break-

Second thoughts

The Government is not altogother to be blamed for this rusapprehension—though the Conservatives in opposition vere ready enough to point out that similar exercises in the past by Labour governments were not cuts, but simply second thoughts about unrealistic reasury system of public exresiliture control, under which White Paper plans are temcororily sacred, does make such programme cuts," as they are officially known, difficult and contentious to carry out. The nature of the present review. thich appears to be concentrafed on current rather than cភភ្នំដែន! spending, and in which rime programmes must be zenuinely cut to make room for increases in defence and police expenditure, 🖎 doubt involves some really painful decisions. In principle, the Government

is entirely right to face these decisions. Not only the election, hut the wave of labour disruptron last winter, showed clearly that what the workers and voters of this country want first and foremost is money in their packets rather than increases in the "social wage." as supparters of public spending like

This understandably distresses men who have fought int a lifetime for various worthwithe social causes, from decent pensions to nursery schools. They may well wish that the British had the more openhanded view of welfare spendthe Scandinavian countries or a boom—an instability rule.

spending an unpopular phrase in the British vocabulary. It was the trade union members who went on strike last winter and voted for Mrs. Thatcher in May.

It is equally right that the stress should be on current programmes. It is only here that ment-Labour's habit in office -is an even less sound way of financing current consumption than selling publicly-owned assets, and it is reassuring to know that the Government's cised and defended on other grounds, has not been seen as a soft alternative to programme

There is a further reason for cuts, real ones this time, which will hurt the unions: these are manpower cuts to offset the large increases in public sector pay now being negotiated through the Clegg Commission. This is simply the hard meaning of cash limits—the public sector equivalent of competitive constraints on pay in the private

However, there are two large classes of expenditure which cannot be stabilised so sensibly as current spending on ser vices. These are the expenditures which are demographically determined, such as pensions and to some extent education, and spending such as unemployment benefit which varies according to the state of the economy.

Here the Government should adopt a more passive role. Pensioners should not be impoverished because they are numerous, if at all possible; and welfare spending can be a useful built-in economic stabiliser. It is a little disturbing in this context that the Chancellor should have defended the cuts in relation to the borrowing requirement as well as to the demand on resources. The borrowing requirement tends to vary cyclically. Sound money and public preference demand economical management of the public purse. They do not demand a rule which would compel the Government to deflate more ny and foreign aid found in savagely in a recession than in

Moscow's costly

ONE-BY-ONE the Soviet Union's came under rebel control for new-found allies are proving three days in March following an expensive and politically embar- army mutiny. Troops have ressing. Vietnam has cost it rioted in the southern city of money and, because of the boat Kandahar and the road between people, prestige. Ethiopia has Kabul and Pakistan has reinvolved it in crushing the type of movement it claims to aid, the Eritreans' liberation The Soviet Union has sent in struggle. Now Afghanistan is 4.000 advisers, about one-third proving the most poisoned of them working with the chalice of all.

Sharing a 1.000-mile border Russian strategic thinking. Moscow fears an Islamic republic in main roads. Kabul might have repercussions on the Moslem minorities in Uzbekistan and Turkmenistan. It is concerned to limit the encirclement it sens-by China and Japan in the East through in NATO in the West. Less important, given the realities of inday, are the historical ambitions it once had for a warm-water port in the Indian Ocean.

Helping hand

Mr. Harold Macmillan recently said how Britain had fought three wars to keep the Russian bear out of Arghanistan, only to see it enter unnoticed one weekend last year. But the coup which brought the present pro-Soviet regime of Mr. Noor Mohammed Taraki to of growing Soviet influence.

Selling arms and lending a his successor, President Daoud, was one thing. It was another to be drawn, hand and arm into upporting the regime which overthrew Daoud and then finding themselves expected to support it against many of its own ing, trusting that if the Taraki

The writ to Kabul has rarely to overturn the traditions of abandon an ally while the second reform, to abolish the dowry directly-is more upattractive

rights is bad. Even those who reform appear not to have been

The result has been the spread fighting will continue. Strategic of insurrection. The country's gains, the Soviet Union is second city, Herat in the West, learning, have their drawbacks.

three times this week.

Afghan armed forces. It has also supplied planes, belicopters and with the Soviet Union, Afghanis-tan has long been important in more than the main towns and

> The rebels have been financing themselves from the opium trade. They have also been supported by their fellow tribesmen in Iran and Pakistan. But the Iranian authorities, who are predominantly Shiite Moslems n contrast to the mainly Sunni Afghans, appear to have been far less involved than the Pakistanis. There are now 120,000 Afghan refugees in Pakistanis.' Pakistan and they have been active in the recent fighting east of Kabul. Moreover, the Soviets are convinced that the Pakistanis have let the Chinese become involved in arming and encouraging the rebels.

Options

The relationship between China and Pakistan is a further power came after two decades reason why Moscow is determined not to see a regime friendly to Pakistan in office in Kabul. At present the opposition to the present regime is divided but it still presents a military threat sufficiently strong to force some unpleasant decisions on Moscow.

One option is for it to do nothregime falls any regime which follows will accept that the been respected by such people Soviets for all their current unas the Pathans in the north popularity in Afghanisan are and the Baluchis in the south. too powerful to be neglected. But the present regime set out This involves it in being seen to the centuries, to introduce land option-taking over the war system, and radically to change given the flerce countryside and even fiercer rebels. A third Many of its reforms had long possibility is that it might allow been urged by outside advisers. Mr. Taraki and the regime's western and custern, but it strong man, Prime Minister couched them in the rhetoric of Hafizullah Amin, to be replaced socialism, offending traditional by the Parcham group (also proholiefs. Its record on human Soviet) which has been purged and exiled in the past year. But should have benefited from land this will hardly be seen as a change by the rebels and instead the only certainty is that the

Endeavouring to keep BS in the launch stakes

BY IAN HARGREAVES. Shipping Correspondent

Shipbuilders on the Clyde had On Monday, Sir Keith and his junior minister, Mr. Adam Butler, did their best to counter this allegation by donning the cloak of the angel of mercy.

They told the Commons that

they would go on subsidising British Shipbuilders' trading losses at the rate of £100m this year and £90m next, and that they would retain the £250m cash limit already set by the previous Government. Intervention funds to subsidise order bids are also to be retained at \$120m over the next two years. It required a magnifying glass to spot the differences between this package—from a tough administration Conservative the market dedicated to economy—and the proposals made on the eve of the General Election, with what was taken to be vote-seeking generosity, by Mr. Gerald Kaufman, then the Labour minister responsible for shipbuilding. Both policy statements agreed to set British Shipbuilders' commencing capital at nil, both undertook to finance the bringing forward of public sector ship orders and both offered special credit for

Under the magnifying glass, of course, there are a few dif-ferences. In one respect, Mr. Butler has been more generous, by agreeing to pursue at extra cost a scrap and build scheme for shipbuilding with the EEC. On the other hand, unlike Mr. Kaufman, he has refused to underwrite British Shipbuilders' desire to retain 3; per cent of the world shipbuilding market, meaning an output of 480,000 compensated gross registered tons (cgrt) in 1981, compared with over 600,000 cgrt last year.

UK owners converting ships in

Manifesto climbdown

Mr. Butler is not saying that British Shipbuilders should not seek this goal, which would limit redundancies to about 8,000 in the next 18 months, simply that he cannot guarantee it. Use the magnifying glass, however, on Mr. Kaufman's statement and you see that he was not guaranteeing it either.

in the manifesto only appeared because of Sir Keith's insistence in the teeth of strong opposition from advisers who knew the industry better. It sounded from Monday's statement as if Sir

CLYDESIDE MP told Sir will eventually become strong abandoned the Kaufman target Keith Joseph recently enough to permit a BP, British that the Industry Sec- Airways or British Aerospace retary's visit to Govan solution of equity participation. That day is a long way off and been described locally as the it leaves disappointed the passing of the angel of death. former owners of the profitable warship yards of the corpora- the UK from its obligation to tion, all of whom wanted their submit for detailed scruting

companies back. It also means no support for those currently bidding to buy and reopen the Falmouth shiprepair yard. Mr. Butler made it clear that he dispose of this subsidiary. Sir Keith has agreed to be so

much easier on shiphuilding than on steel, which is faced with a definite instruction to eliminate trading losses next year compared with a vague after two years for. British Shipbuilders.

The obvious explanation is that the shipyards are in a worse state than the Tories could have imagined before the election. Also important, however, are the facts that nationalisation is still only two years' old and therefore, arguably, has not had a chance to demonstrate its effectiveness; that the sums of money involved are small when compared with steel; and that from the defence point of view shipbuilding is a small but vital strategic industry.

What the new Ministers saw when they looked at the books was the prospect that the whole of the merchant shipbuilding industry could run out of work and collapse by mid-1980. Mr. Butler then agreed to make a major tour of the yards before reaching conclusions.

What he saw was the evidence of massive investment, much of which has only come on stream since the recession began. Cammell Laird may be tainted with Merseyside's general image of disruption and decay, but the visitor can see in an instant that its covered twin berth is as good as any in the world. The same is now true of core facilities at Sunderland Shipbuilders, Austin and Pickersgill, Appledore Shipbuilders and, outside British Shipbuilders, at Harland and Wolff.

Some attempt clearly had to be made to preserve this legacy at a time when the industry can truthfully argue that its worst problems are those of a world recession which has caused shipyards throughout the developed world to equal or exceed losses in the UK.

What has been offered both by this Government and the pre- always exists. Perhaps the most surprising vious one remains only an element of the Conservative attempt. It could fail because approach is the reneging, at its cornerstone is an interven least for the foreseeable future, tion fund offering 30 per cent on the manifesto, commitment discounts on British ships which to sell back to private enter- in the last year has not worked. prise the saleable parts of In 1978 the scheme won only British Shipbuilders. This line 230,000 cgrt of orders (just over half the intended output at the forecast bottom of the recession in 1980-81) and only £16m of bulk carriers and cargo liners. the £85m authorised was actually spent.

Mr. Butler is pinning great Keith, and Mr. Butler are hopes on persuading the Euro-

of retaining a fixed market share, he is truly applying tapering aid linked to restructuring of the industry, in line with EEC policy. This, he hopes will allow the Commission to release every application for use of the fund. This has led to long delays in processing orders and consequently to lost business.

Scrap and build offering shipowners a prestrium for scrapping two tons of ship for every ton they agree to buildmight also produce a few orders next year, although no one is expecting a bonance. Slightly easier export credit terms will be more useful, but these have still to be pushed through the OECD, whose shipbuilding group does not even meet again until October.

But some officials who have watched the damming of the breach in the shipbuilding dyke with higger and bigger subsidies in the past three years believe that in spite of aids the merchant shipbuilding industry is doomed to collapse.

Running out of work

There is no doubt that in spite of the current aids, some yards will run out of work in the next six or nine months. Govan on the Clyde promises to be the first, later this summer. and the only question then is whether British Shipbuilders' new and apparently generous loss limits will allow it to hold on to workers when there is no work for them to do. The answer is that the loss limit will not permit this, at least not for more than a very short period when definite new contracts are in sight. BS will today report losses of around £45m for 1978-79, but the figure is expected to grow again this

There is no doubt that British Shipbuilders intends to retain Govan as a core yard of the future, but this does not automatically mean that it can avoid period on care and mainenance in the next two years. It is important to note that redundancy costs in shipyards are financed by the Government outside of BS's profit and loss account, so the financial temptation to go for redundancies

The same the other major shipbuilding redundancies at Cammell Laird, Scott Lithgow, Swan Hunter and probably at Austin and Pickersgill and Sunderland Shipbuilders too, although the lasi two yards both have significant orders in the pipeline for

The more difficult part of the equation for British Shipbuilders is deciding which of the smaller and less efficient hoping that British Shipbuilders pean Commission that, having yards are permanently surplus

Scott Lithgow

pbs. 8,000

Onders 3 Ferries, 1 Gas Loss: £21-4 m

Large Turks 2 Cargo Lines 1 Oil Platfors

corporation to redirect the work to a more cost-effective yard after five years.

It has never been quite clear. The results of the how British Shipbuilders can be seen in the marries this consideration with statistics shown in its professed desire to be able fourth worst industry. to plan, on the basis of industrial logic, for a compessive future. It is easy to sympathise: with BS executives about this problem, but their failure to take tough decisions and to execute their plans boldly has been their greatest shortcoming in the past two years. They have made much of the excuse the Labour Government's political sensitivity about closures, so it remains to be political seen whether there will be a change under the new adminis-A shopping list of closines

does, of course, exist. It was circulated to Ministers late list year and it includes the Scotstoun yard of Govan, Robb Caledon, the small Scott of Bowling yard of Scott Lithgow, Scott's effectively closed), one or two of Swan Hunter's six yards aid possibly, Doxford Engines. A more difficult problem is posed by the larger, Smiths Dock yard in Middlesbrough This is a yard which has traditionally been in the top five of British Shipbuilders' unpub-lished productivity league table. But it is perhaps the most

Apart from sümming down to its "core" ficilities, British Shipbuilders plan is to step up productivity by persuading the unions to accept greater flexi-bility between trades and to push for more efficient works organisation and monitoring of progress. Productivity in most yards still needs to improve by around 50 per cent to match the best international levels.

opaciete racilità in the carbo

agreement for the industry and

MAIN UK MERCHANT SHIPYARDS

The results of this progress. can be seen in the stoppage statistics shown in the graph. Shipbuilding has improved from fourth worst industry to twelfth, according to Government figures.

There has also been a refreshing improvement in attitudes illustrated by the determination of Govan workers to complete the £115m Polish ship order on time. They are now working shrough holidays to achieve this goal, even though they know that the end of the holidays could be the end of employment for many of them.

Productivity problem

Overall, however, the produc-tivity graphs inside BS head-quarters remain stubbornly static. One excuse is the lack of a steady flow of work but BS and other high-cost de-Engineering, the North Sands BS and other high-cost de-yard of Sunderland (already reloped countries must adapt to the fact that block orders of simple ships (of the Polish type), which offer most scope for high productivity, are going to be increasingly taken by the low-cost yards Europe, the Far East and South America, leaving the compli-cated one-off jobs for western Europe, Righ productivity is Competition in export markets harder in these circumstances, is going to be made even but just as essential. The same goes for quality of

work, which is still suspect in the eyes of many shipowners. Equally important is the quality about the failure of BS to respond promptly and efficientlyto invitations to tender, not all of which can be blamed on the European Commission, and the marketing responsibilities be-tween BS's geographically

to requirement and must there. This is a complex but vital divided central offices (one is fore be sacrificed in the in- question involving every aspect in Newcastle, one in London) terests of the industry as of British Shipbuilders organic and the yards have been under whole. Sation. In terms of negotiation clear and damaging at times Mr. British Shipbuilders has been with the union leadership, great Michael Casey, the former civil and will remain coy about its stildes have been made in servant and new chief executive shopping list of closures, partly replacing 168 separate wage of BS, is probably to blame for shopping list of closures, partly replacings a year by a common failing to cut through the property agreement for the industry and bureaucratic strings which have comes up with an order for a common pay anniversary. In threatened to strangle BS, But itself, then it is not up to the the motor industry, BL is still there is general commendation wrestling with this problem of the energy and determination with which he has proceeded on rogress, other questions, and his position

now seems secure. What British Shipbuilders has asked for and received is a period of clarity and stability in the financial framework miller which it must operate. It is not even subject, under Mr. Butler's formula, to the prospect of a cut off date for aid.

This could turn out to be the real weakness of the Govern-ment's approach in that it falls to put overt pressure for recontruction on to British Shipbuilders, which could still face serious trade union problems in carrying out the urgently necessery changes ..

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THE STREET

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The problem for British Ship-builders, as the market for ships begins alowly to fund upwards in the next two years, is that it will be competing with the low-cost "new shipbuilding coun-tries" like Korea, but more important with a Japan which has slimmed down its capacity by 35 per cent with impressive speed in order to be cost-effective when the upswing occurs. British Shipbuilders is still quating prices for many ship types which are almost double Japanese bids. No amount of bickering about rival subsidy schemes can explain that

tougher by the continued strengthening of sterling.

If British Shipbuilders and

Harland and Wolff cannot come to terms with these harsh realiof management. There have ties in the next twelve months, been many justified criticisms the angel of death will claim the angel of death will claim not just the industry's firstborn, but its entire family. However, judging from the Government's present policy, the face of the angel will be that of the market place, not that of Sir Keith

MEN AND MATTERS

troubled waters

are not quite a thing of the glorious "heart of oak" past. Last September, the 1,600 passengers on board the luxury P & O liner Orians, returning from a two-week cruise to Greece, found them:elves being pursued by a French gunboat. The reason was that Captain Peter Love, the ship's master, in

Anglo-French naval skirmishes

the best traditions of "the customer knows best," had steered shoreward in an attempt to give his passengers a closer view of the Brittany coast. He failed, alas, to reflect upon the Frency navy's sensibilities over traffic separation zones. In that part of the Channel, a few months earlier, the Amoco Cadiz supertanker had hit the rocks,

causing the worst oil pollution incident in Europe's history. ing vessel and reported the whole matter to the British Department of Trade

As a result, Captain Love, or

مكنامنالثجل

Sea Princes, in Australia. Russian salad

fine of £1,000.

personally, because he is cruising with P & O's new ship, the

appear in court in Yeovil to-

morrow charged with violating

shipping regulations in the Channel He faces a maximum

Captain Love cannot be there

That scarlet hue of the British tomato in your salad may be grown on Soviet peat. This year, Britain will be importing 18,000 tons of gardener's peat, at a cost of nearly £400.000, from Novoexport of Moscow,

I chanced upon this odd growth area of East-West trade through a two-line item in the bulletin of the Moscow Norodny Bank. The trail led from there Seeing the Oriana slip into a to Razno and Company, the lane reserved for small coasters Russian-owned representatives and fishing boats, the French of Novoexport, and thence to admiralty sent out an intercept- D. L. Coutts, a firm of horticultural merchants Worthing, Sussex.

Would it not be possible to buy all our peat nearer home? What about the bogs of Ire-land, for example? These simple questions to Coutts, on behalf of countless gardeners who all unknowing encourage their vegetables and flowers with Russian loam, received a dusty answer

It seems that there is peat and peat. The Russian variety is especially suitable for mixing into branded compounds sold by such firms as Fisons. The peat imports began six

years ago, and after a slow value 27 times. Sales this year germination, are now climbing topped £100m. "But I shall like grandad's runner beans.

Basque backfire

Blas Pinar, leader of Spain's neo-Fascist Fuerza Nueva (New Force) Party, may soon be in hot water with his blue-shirted that he has given unwitting in making things. In my support to Basque nationalism, opinion, either engineers are

rather his representative, will to which he and his fervent cohorts are bitterly hostile. Pinar has accused Prime Minister Suarez of "trailoriously" vielding to the ETA guerrillas. So when he was given, as the sole Fuerza Nueva representative in parliament, a seat on a commission created to study the Basque home rule agreement, his stauce was predictable.

In the full tradition of Francoist centralism, Pinar systematically voted "No" to every single clause in the 49more appropriate than you article Statute of Basque auto-imagine. It may well have been nomy. But he is also a lawyer, nomy. But he is also a lawyer, and could not resist making legalistic interventions. have actually widened the scope of the future Basque government's powers.

Pinar is nicknamed by his followers the "Caudillo of the Tagus" - after Franco and the river running through his home town of Toledo. The frustrated Caudillo may now risk being

Lukes' lore

When chairman Billy Luke retires from Lindustries next Tuesday, he will celebrate having just turned 70 by starting to write the company's history. He certainly knows the facts. having been on the payroll for 52 years, on the board for 41, and managing director for 24. It was Luke who took the decision in 1958 to diversify out

of making linen thread. Now, the bulk of the group's earnings are from engineeering. rubber and plastics. Since then, the shares have increased in be writing a lot about the original interests," says Luke. Barbours, for instance, has been making thread since the 18th century."

The headquarters of Lindustries is just across the road in Knightsbridge from Harrods, and Luke has never felt too supporters. It is being claimed close to the City. "I believe

underpaid, or stockbrokers and bankers are grossly overpaid." world, Luke will be remembered not merely for trenchant views like these, but for baving founded with Sir Nicholas Cayzer the United Kingdom-South Africa Trade Association. He retired as president, after 15 years, last April. "I love South Africa, although I totally disagree with its politics. Should we trade with them? Yes, we should trade with the Devil!"

Travel trouble

more precious by the minute Labour troubles at Her Majesty's Stationery Office have almost halted the flow of new documents since last month.
"We are keeping a close eye
on our small stock," a Passport Office spokesman told me yesterday.

"But we have several ploys to deal with the shortage," he said. These include sticking extra pages into passports which have no room for extra visas, and extending the tenyear life of documents which are about to expire. The reserves are being

cautiously limited to people who must urgently have passports valid for all countrieswhat the spokesman called extraordinary purposes." for the moment, only British visitors passports are available for applicants wanting to go on holiday or make business trips ot run-of-the-mill places.

Buyers' market

The petrol panic must be nearly over. In Hadleigh, Essex, a colleague noticed two adjacent garages — one offering free glasses, the other flaunting a notice which read: "Come back Access and Barclaycard holders.

Observer

"I'm Jennifer. I'm 4. They said I'd never be able to speak?"

You ought to see Jermifer today. She laughs, she cries, she speaks. Sometimes she speaks so much it seems she's trying to make up for lost time.

And of course, she walks, runs plays hup scotch, chases the house cat, and runs after the ball in the terms court of one of Dr. Barpardo's homes for mentally and physically handicapped children. Yet when Jennifer was 2 years

old, she had been written off. -

She would remain a human vegetable if she survives at all, the experts said, before she came to us. Two years later, Jennifer is a

miracle of recovery that has actually. happened. But in order to help Jennifer face the world, we are now trying to help her lesen how to write.

And after that, it will be sewing needlework, initing pottery or any of the other vocations that will give her a purpose for hying All this will be done by our trained beloers, who are skilled in bandling complicated and difficult cases like Jennifers

Our help has no limits, but our money does Skilled help like Jamilier needs costs a lot and every & you give goes towards those less fortunate

Won't you send what you can today? For only \$2, one of our residential homes could get four sets of knitting needles for children. For \$10, we can buy a sand tray — and little sids like this help so much: For \$100, we can buy a same way — and more area in a more many so minute put and a weeken feed a child for a whole year at the centre. Everything being And it being even more if you covenant to pay regularly. That way we can claim back taxes of every \$1 you give is worth \$1.50. Not a penny is wasted, because we know

it is your money we are using And all our halpers feet exactly the same way. Dr. Barnardo's run temporary relief homas, day care cantres, residential centres and schools. Please send what you can today. Your earing will reach out to many children like Jennifer who could one day he earning their own livelihood and living instead of just existing

Please sand what you can to me Nicholas Lowa, Appeals Director Room 534, Dr. Barnardo's, Tanners Lane, Hford, Rissex 156 100:

"We don't reveal our distressing publicity





industry

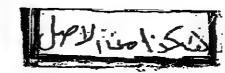
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Sir Keith in the last Witch Could

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Turkey: sick man of Europe again

BY DAVID TONGE, recently in Turkey

"HOW INSIGNIFICANT is the trading. Inequalities are The origins of the crisis are wealth and strength of Turkey becoming more flagrant. Confused Short-term explanawealth and strength of Turkey in comparison with its natural-advantages!" a French traveller to the country wrote in 1710. Today the same observation is made with increasing anguish as. NATO worries over its south eastern flank and Turkey's creditors wonder when

the rescheduling of over half of its \$12ba debt will be completed and whether Turkey will default again. The International Monetary Fired approved a new agreeent with the country on July 19. It was an important step forward, but left the underlying

problems untouched. The centuries long understanding between Moslem sects in Turkey is breaking down. Its intricate coalition of races is being upset. Political violence is among the worst in the world: an average of 100 people are killed, every month. In the southern town of Adams 807 neople are on trial, 330 of them for their lives, in connection with killing, rapes, and looting which caused 111 deaths in Kahramanmaras last December. A once booming economy faces stagnation, 20 per cent unemployment and 60 per cent inflation.

Cooking fats and oils have long disappeared from the market. In some areas tractor drivers cannot find the fuel they need to gather the harvest.
Diesel tankers have been
hijacked by villagers. Those
queueing at the petrol stations still in service have to wait up to 24 hours. "Local riots have been caused by the dearth of the bottled gas used for heating and cooking. Hospitals have been unable to find important medicines. Electricity and light-bulbs are in abort supply.

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These failures in the normal economy have been mirrored in the flourishing of the black market. Deprivation among the people at large is accompanied tinue to by fortunes being made in way.

(£12.50) to allow some merchant western Europe smuggle out a wad of some £700. These explana Controls on imports are central take in the failure of the pre-to government economic policy, sent Government of Mr. Bulent but one soon learns where to. Ecevit to come to grips with telephone for: a buildozer or the problems it inherited. They for factory machinery to be stress the lack of a working delivered at one's door.

gence agency are partisan and ineffective. Only a handful of those managing the negotiations with the IMF know the rules of the outside world. There is no permanent cabinet secretariat.
Ministers spend as much time
dealing with party fayours as
with their ministries business.

The politicians too have done little to prove that they can manage either the society or the economy; their criticism of each other is purely destructive.

NATO fears

The result is a crisis which threatens to shift the foundations of modern Turkey. The Turkish Communists consider the country one of the weakest links in what they call world imperialism. Some elements in NATO fear that it is moving towards neutralism. Others, believing that history can be reduced to the simplicity of dominoes, argue that after Afghanistan and Iran Turkey must come next. The western financial community, like wesrern strategists, consider it too important to lose—yet too misdirected to be allowed to continue to be ruled in its present

confused. Short-term explana-The decline of respect for the tions look at the profligacy of authorities is a simple fact of the former fractious coalitions everyday life. On the most of the conservative Mr. mundane level, few Turks have man Demirel; at the cost to bothered to learn to need the Turkey of oil and of its inva-traffic lights introduced in recent sion of Cyprus; at the effects of years. There is a rigid ban on rising western protectionism taking abroad foreign currency, against important Turkish ex-but the visitor to istanbul can ports such as textiles, and at see airport police accepting a the slackening remittances folded note of 1,000 Turkish lira from emigrant workers from

These explanations usually majority in Parliament for the The police and main intelli-largest party, and the inade-gence agency are partisan and quacies of the state machinery, neffective. Only a handful of But all this is part and product of longer-term changes in Turkish society.

Village values have been challenged by internal migration and the spread of television. Islam has not developed as a major political force, but a rural society has been increasingly replaced by one of urban concentrations and urban norms. These norms, too, have been progressively challenged by peasants who have moved into the shanty towns, which now account for half the population of the major cities. Tenstons were inevitable.

Yet even these explanations have tended to overlook the refusal to brook opposition and more fundamental issue—that throughout the long centuries of their history in Asia Minor the Turks have lived by standards which the West could only many of his reforms were describe by contrasting them intended ultimately to lead with its own. The absolutism of the

Sublime Porte baffled foreign observers. For generations land and office remained in the gift of the Sultan. There was no hereditary elite.

Mr. Ecevit's struggle against the odds, as Millivet's cartoonist, Bedri Koramau, sees it.

world war. A genuine parlia- mitiative. mentary democracy did not Ataturk emerge until the 1940s. Midwife to the birth of the Republic was General Mustafa Kemai, who later became known as Kemal possessed and a local Ataturk. His original philo-bourgeoisie created. As it grew sophy and distortions of it have in power it increasingly

some of his policies in the political and economic fields compared with Mussolini. Yet labour. Turkey towards the forms of rough lot of workers in smallerthought and methods of govern- scale industry and workshops ment of liberal Europe. The need for economic policies to promote social justice was regularly stressed, if not so regularly ensured. His backing The Sultanate and Caliphate of the state's economic role was survived until a republic never intended as a substitute

of independence after the first response to the lack of such Ataturk transferred power to a civil and military bureaucracy. The foreign merchant and industrial minorities were dis-

local influenced the state, using it to prevailed ever since. influenced the state, using it to Kemalism is a blend of auto-obtain the protection of high cracy, paternalistic reformism, tariff walls. Recent years have and state capitalism. Ataturk's seen both the emergence of powerful holding companies, combining trading, industrial and finance houses, and of have led him to be increasingly increasingly militant organised

Mounting poor work conditions and the have provided a fertile soil for radicalisation of the labour force. Strikes have allowed since 1963.

Mounting tension between employer and employee had survived until a republic never intended as a substitute been preceded by a political emerged from the Turkish war for private initiative, but was a polarisation. A liberal military

coup in 1960 was followed by not been forgotten. the return to power by the forces which the army had over-

The result was the spread on the left of the belief that, given the largely traditionalist electorate, Turks would never vote into office a party committed to Kemalist reforms. In 1971 the commanders again intervened, this time to forestall an imminent radical coup.

But the armed forces could neither ensure a lasting reform of the constitution, nor impose their original candidate for President on parliament, nor keep blood off their hands. Since then tension has mounted and the state has been unable to meet the demands made on The bureaucracy has kept too many of its Ottoman practices, corruption has mounted. and efficiency has been eroded with the staffing and purging of ministries on purely political grounds.

Unrest is increasing among the civil servants themselves. Like other middle-class groups, they have seen their purchasing power and savings eaten into by inflation

At the same time there has been mounting pressure from the West for the country to adopt western-style economic patterns. So far the model of economic development which Turkey has followed has been notable for its stress on selfreliance, for the relative absence of foreign capital, and for its the President-s retired admiral emphasis on import substitution.

Now the country's creditors are seeking to whittle down the super-structure. role of the state and open Turkey to foreign investment, tourism and competition. They want a say over the planning The weakness of Turkey's planning mechanisms opens the door to such demands. but tradition bars the way. The humiliation of the Capitulations

CENERAL

Mr. Ecevit's .18 months in racism in a way which causes its hopes he once aroused. If his party, the Republican People's Party, once the embodiment of in parliament and so ham-strung by the conservative independents in his coalition cabinet, rages is indisputable. he might have made the society

more equitable. As it is, Mr. Ecevit has become increasingly isolated, has begun to adopt the paternalist methods of early Kemalism and to show readiness to alienate his more active supporters.

The small parties and active organisations on the left—the Communist Party is illegal—all question whether Kemalism has any relevance to modern Turkey, but it is the forces on the right which have been attracting more parliamentary support. The one party favouring an Islamic Republic in Turkey, the National Salvation Party, appears to have shot its bolt. More important are the Justice Party of Mr. Demirel and the militant Nationalist Action Party (NAP).

Aspirations

Both directly challenge the Kemalist pattern. The Justice Party tries to meet the aspira-tions of the middle peasantry and the emerging industrialist and trader. It thus sets out to limit the role of the state. Mr. Demirel has recently gone as far as challenging the role of who represents the wishes of the military in the political

Social and economic pressures may have gone beyond the point where Mr. Demirelif he were returned to officecould hope to shape them. As for the alternative offered by Alparsian Turkes, head of the before Turkish NAP, this only appeals to a wrung from the Ottomans has minority. The NAP mixes

ballot box of the conservative office have buried the messianic opponents to compare it with the Nazis. It strongly rejects the comparison but the involvement of followers of the NAP Kemalism, had not been so weak and its activist organisations, the Idealist Hearths, in some

nationalism, socialism

of the worst terrorist out-The existing political parties have few answers to the problems, the civilian bureaucracy is proving a dead weight and the military caste has little to gain from turning against a system which it created, and which protects its entrenched

privilege, Shifts in the parliamentary arithmetic may provide temporary governments but the pattern of economic uncertainty, political tension and everyday killing seems bound to worsen. It is not a situation for the Islamic mullabs to exploit-both the Caliphs and Ataturk ensured that the Turkish equivalents never were nor are likely to be a major political force. Indeed the parallel is not with Iran but with Italy—as it was in the 1930s.

But the probability is that, asin the past when it battled with the Ottoman Debt and the Capitulations, Turkey will find its own way forward. So far it has avoided the Latin American type of military take over and perhaps it will continue to do

If that is a straw to be grasped at, their are others; the aid now slowly flowing Turkey's way, and what the 18th century French traveller noticed-the country's natural advantages. The people are hard working, there is the basis for prosperous agriculture, and some raw materials. There is abundant lignite and hydro potential, and even some oil. But it is hard his former coalition partner, Mr. to see how long it will take "dapted to the changes which i. is undergoing.

Letters to the Editor

Unscrambling subsidies

From the Managing Director, City of London Building Society Sir I read another of Mr. Brittan's excellent articles on July 19. Subsidies both to industry and to housing ought never to have reached the level which they have done and it is cer-tainly heartening to read that this Government has started un-acrambling the industrial sub-

What I particularly like in Mr. Brittan's article is the incentives to people moving to lobs are; and the restablishment of a market in rented accommodation would do far more good than all the other regional policies ever invented (the knock down sale of council houses has done nothing to make available more rented homes).

Mr. Brittan is hammering home a vital point in the hous-ing problem. I have been writ-ing for years in various journals and - co-operating with other organisations in submissions to the Government that a start must be made to dismantle the current form of Rent Acts legis. lation, which has done more 1227, General harm to the housing stock of this country than any other fac-for even the German bombing in the last war. Mobility is vital today and the absence of a "third arm of housing is a grave deterrent. Housing subsidies in the hubble sector have reached a horrifying level and I would doubt whether they are years. doubt whether they are very much less than about £4bn today. I hope that Mr. Michael Heselfine will now follow down the same path as Sir Keith

A. G. C. Trollope, 34, London Wall, EC2.

Spending on industry

From Mr. D. Cockroft Sir Samuel Brittan is right sting (Economic Viewpoint July 19) that public spend-ing on industry does little to redistribute resources towards the poor (except on a purely geographical basis). As a result, It is unlikely that Sir Keith shown that despite the fact that Joseph's cuts in present indus our sector employs two out of trial support programmes will five members of the workforce, do as much harm to the least and pay much more corporation well off in our society as will the combined efforts of Messrs Heseltine, Jenkin and Carlisle in affacking the public services. What Sir Keith may do, how-

ever, is put the last nail in the coffin of Britain's industrial recovery. Many of the industrial policy programmes now being cut are, without doubt, inefficient in job creation terms and have little long-term effect on industrial performance. What is really frightening about the present political climate, however, is the apparent lack of discrimination between valuable and worthwhile industrial assistance and that which is disguised social expenditure. This seems to be combined with a fervent desire to distribute the results of cuts as largesse to companies which have shown themselves congenitally incapable of adjusting to the needs of the 1970s in the hope that they will suddenly reverse 100 years of industrial

Britain is now at an absolutely erucial stage in its industrial the next year or so will have a state: are they individual lions of public and private Ministerial and Departmental Chester.

will be a bigger disaster to your country."
be laid at the door of pendidum politics than even the regional aid of acolition of the Prices and Incomes Board in 1970.

ing out of the 1980s better than do the social job in the labour market.

If things continue to go astray as they are going now, by the time we reach 1989 there will. be a lot of people prepared to set admit that it would have been lovel safer to have got the "Conservative backlash" over and done with a few years earlier, so that we had by now a Government which was prepared to take rational decisions in the best interests of the country as a David Cockrost.

37 rue de la Fontenette,

Regional

From Mr. L. Bushby Sir-We cannot help feeling

that the argument over the future of regional aid for industry marks a watershed. No rebusiness community so cleanly. The inelegant U-turn of our largest industrialists says much more than glossy "policy state-ments" ever can. There are three major points of diverg-

There is a difference between large, established, powerful corporations and the up-andcoming enterprises from which will emerge the giants of tomorrow. The former are well-geared to seek Government hand outs some have whole departments doing nothing else; the latter have neither the time nor the patience. We have tex than hig business (the tax which effectively pays for grants and subsidies); our members have done badly from handouts in the last decade. Little wonder that we support cuts in corporation tax and an end to state subsidies.

There is a division between businessmen who welcome the future as a new challenge and those who are frightened of it. Those who welcome the future are happy to see the fruits of unexpected success in business remain with those who have earned them. Those who are happier in the pattern of our recent industrial past and would foster the fortunes of existing and well-tried industrial sectors are only too happy to see the excess profits " (i.e. more than they can make!) taxed to produce the money which tops up the profit and loss accounts of obsolescent and complacently-

managed companies. businessmen whatever the size port, and the highly motivated of their company about their defenders of various chosen Becisions which are taken over proper relationship with the sites for despoilation. Many mil- that Sir Keith Joseph and his

years. At such a time, if this is tempting to propose that more Government really continues to than one organisation which previous Government's initia- themselves the question: "Ask Derek H. Broome, tives in the fields of micro- not what your country will do electronics and office systems, it for you, but what you can do for

The current debate rectional aid crystallises these deeply divergent points of view High technology just as much as the most obvious Britain's only chance of com- division between businessmen who can and do receive the writes: "It would be more effect industrial policy based on industrial poli trial, not social criteria, backed only foot the bill. Fortunately. Sir.—There are two surprising up by an effective manpower this division is far from clear comments in your editorial of policy on Scandinavian lines to cut. There are many honourable July 20 on "Cutting down the businessmen in the assisted National Enterprise Board" on areas who recomise the faults of the system from which they henefit: a system which attracts the international industrial " jet microelectronics) and Nexos (in with few long-term loyelties to their adopted com-

munity. We hope that the current debate will continue beyond the strict bounds of the impact of the welcome cuts which the Cabinet spokesman for smaller firms, Sir Keith Joseph has

Lee Bushby. Association of Independent

Europe House, World Trade Centre, E1. Third London

airport

From Mr. D. Broome.

Sir,-Western politicians and others still seem to believe against all the evidence that there is some "technical fix" which will overcome the inevitable massive rise in the real and relative cost of energy as the oil shortage bites deeper. Many of us believe that failure to cause major economic, social, and even political upheavals

within the next decade. The Government has made a good start by announcing an enhanced nuclear programme despite the environmental lobby. There are, however, several other areas where decisive action can be taken to stop spending on major works which now have a high risk of redundancy within the next 25 years. Examples can be taken important product sector. from the road network, which certainly will be catering for century, and the rail network. which should now be set dif-

ferent priorities. One major saving, however, the third London Airport, which in character: for example, so seems to be rolling along on the momentum of Roskill, who reported in another age. Its amortisation of high R and D justification is on the growth costs, etc., that few electronic of tourist traffic, accounting for products can produce adequate some 60 per cent of passengers at present. If we add the costs of keted vigorously on a global replacing the present fleet of scale. It follows, therefore, that jets, it is clear that the cost of if Britain's competitors effectourist travel as a percentage of tively subsidise their own disposable income is going to national electronics industries rise steeply, cutting demand. It (which they will undoubtedly could be that the existing two continue to do on a massive airports will be in decline after scale), thus distorting free mar-20 years—the time it will take ket forces and normal competifor a greenfield airport to be tive conditions, we must either fully on stream

jousting between British Airports Authority and There is a division among other advocates of a third air-

disproportionately large long-term effect on employment, real incomes and the level and stan-dard of social services for many fully independent economic forecast has been commissioned believe its own propaganda even claims to represent British on the whole subject including 33, Bruton Street, W1. to the extent of destroying the businessmen should pose for a careful risk analysis.

Poiters' End. Mears Ashbu, Northampton.

ventures.

which I would like to comment. Referring to the NEB's high

seconology ventures Inmos (in office systems), you state that "look dubious on technical and commercial grounds." I could hardly disagree more strongly. In the case of lumos, my company was commissioned by the NEB to assist in assessing the original microelectronics business proposition which, I can assure you, was vetted most carefully in all of its key aspects, including the technological and commercial strategies. Wherees, like any other venture into high technology, the success of Inmos obviously cannot be guaranteed, we remain convinced that it has an excellent chance of success and of contri-buting to what I hope will be a substantial growth in the total British capability in the most advanced forms of microcircuits.

As for Nexos, we do not have special visibility of its technical and commercial strategies in light of the high but. quality of the key Nexos executives already recruited, plus the substantial NEB funding, there must again be a good chance for success. Moreover, it needs adjust to subsequent reallocato be remembered that in the tion of economic activity may office electronics sector—without doubt the most rapidly-growing market sub-sector within the entire electronics and computer industry—the UK capability so far established is almost insignificant in comparison with our international competitors. The nation should therefore be grateful that the NEB, acting through Nexos, has the vision, the financial strength and (we must all hope) the competence to provide a national lead in this very

You claim that if "other countries support their elecvery different traffic in the 21st tronics industries it doesn't mean that the UK has to follow suit." The most basic fact about the electronics industry today is that-posssibly more than any would be to axe proposals for other—it is totally international great is the importance of such factors as economies of scale, corpora'e profits unless mardo the same or sit back and our national electronics capability.

> grateful that NEB has the R. W. Davis, right policies in this sector and "Rosebonk." right policies in this sector and

Dr. L. M. Mackintosh.

Inflation in Brazil

From the Earl of Dartmouth Sir.-- I refer to the interesting article by Mr. Hugh O'Shaughnessy in the survey on Brazilian banking and insurance (July 18). In this he makes a statement at the beginning of the article as follows: "the level of inflation is today, a decade and a half after the military coup d'etat of 1964, running at a rather higher figure than that ruling before the generals took over.

This is incorrect. the inflation may well be around or beyond 50 per cent this year." The rate of inflation at the time of the Goulart Regime immediately prior to the coup d'etat in 1964 was 95 per cent per annum. Dartmouth

Ocean Wilsons (Holdings). 6th Floor, Regina House. 5 Queen Street, EC4.

Shotton and Corby

From Mr. R. Davis. Sir,—From the letters in your issues of July 18- and 19 it is clear that there is a body of informed opinion which holds the view that the strategic reasons given for closing the Shotton Corby works of British Steel Corporation are unsound.

BSC makes the basic error of

equating high investment with high productivity. This is clearly not so—the good engin-eer and operator selects and designs the minimum cost capital equipment to achieve the product objective. Anything greater than this minimum is an unnecessary charge on the enterprise. It is then up to the plant management to meet the output, standard and price of product to match the market demand. In this John Summers at Shotton consistently suc ceeded. Even now, when this minimum investment has been denied them in steelmaking, the operators are achieving day-today results which cannot be bettered (e.g. low sulphur steel using high and variable sulphur

BSC economies of scale are such that all other considerations affecting plant size and plant autonomy are of no consequence. If Dr. Kay's suggestion that plants such as Shotton and Corby should be allowed to trade independently were implemented, it would very shortly show the poverty of the BSC argument. Two years ago, I offered a cold rolling contract to the Shotton works when there was more than adequate capacity available. The contract, without competition, was worth £400.000. Although the cold mill at Shotton was desperately short of work, the "decision makers" in South Wales declined the order without any valid reason. This type of wholly uncommercial decision is, I am advised, far too common in BSC and is a We are now all set for some witness the inevitable decline of major factor contributing to the decline in market share and customer confidence referred to I believe we should be by Dr. Kay.

Townfield Lane, Mollington,

Today's Events

Foundry owners, Government representatives and union leaders talk on aid in introducing a foundry closure programme at meeting of National Economic Development Office economic development committee for foundries.

committee for foundries. Separate meetings of Labour national executive committee and Trades Union Congress general council discuss document examining progress and future of liaison committee which links both bodies.

Appeal begins in Lords on ruling of the right of seamen and port workers to boycott ships in an international campaign for higher seafarers'

British Shipbuilders' annual Housing Corporation annual Manpower Services Commission

annual report. Mr. Michael Heseltine, Environment Secretary addresses
Association of County Councils
annual meeting, 66 Portland Piace, WI.

PARLIAMENTARY BUSINESS House of Commons: Debate on Southern Africa. Motions on various orders.

House of Lords: Various orders Queer and motions. Gaming Amendment Bill, second reading. Short 11.30.

COMPANY MEETINGS E. Austin, Winchester House, EC, 12. Beecham, Hotel Inter-Continental, W. 12. British and Commonwealth Shipping, 14 St. Mary Axe, EC, 12. Butterfield-Harvey. Connaught Rooms, WC, 12. Calcdonia Investments, 2

debate on Red Indians. Short debate on Cyprus.

St. Mary Axe, EC, 3. Coalite, Savoy Hotel, W, 12. Continental and Industrial Trust, 120 Cheap-side, EC, 12.30. De La Rue, Cafe Roy I. W. 11.30. A Dunbill, Cafe Roya, W. 12. Monks Investment Trust, Great Eastern Hotel, EC, 10. Readleut International, Queen's Hotel, Leeds, 12.30. 800 Group, Grosvenor House, W.

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NatWest jumps 102% to £221m at halfway

MAINLY reflecting a growth in resources, increased lending and higher interest rates, pre-tax profits of National Westminster Bank advanced by 102 per cent from £109m to £220.6m in the first half to June 30, 1979.

Announcing this result, Mr. Robin Leigh-Pemberton, chairman, states that while predictions for the rest of the year are difficult to make with confidence, present indications are that results for the second half may not match those for the first six months.

"We shall be surprised if interest rates do not begin to fall during the second half of the year and clearly that half will also bear substantially higher salary costs, the chairman

Trading surplus ...
Associate share ...
To staff profit-sharing ...
Profit before tax ...
Leaving ...
Leaving ...
Minorities and pref. ...
divs. of suba ...
Bank pref. div ...
Extraordinary items ...
Attributable ordinary ...
Ordinary dividend ...
Tatefored ...
Poblit. Trading surplus

The net interim dividend is raised from 5.682p to 7.25p per fi share at a cost up from £12.9m to £16.6m. Lize to 210.0m.

Last year's dividend total of 12.83237p was paid on a record pre-tax profit of £297.4m.

After tax up from £40.9m to £88.7m, net profit in the first half went ahead from £68.1m to £131.9m. Stated earnings networks. 288.7m, net profit in the first shares over the value of under-balf went ahead from £68.1m to lying net tangible assets at the £131.9m. Stated earnings per date of acquisition of sub-share increased from 29.6p to sidiaries is deducted from

tinue to be felt in the current year, Mr. P. E. G. Balfour, chair-

man of Scottish and Newcastle

Breweries, says that he is con-

vinced that the group is in a much better position to meet the

challenge of the "very fierce competition which is likely in

the brewing industry, in the

The chairman says that the

changes made in beer whole-

beer sales ended 1978/79 lower

by 1.3 per cent. The group began

to regain its market share and

this trend has continued in the

The recovery has been notice-

group's reorganisation will con- improved.

changes made in beer whole rees that there is saling are beginning to show way to go and a recoults. After being 4 per cent of the magnitude undown in volume at the half-year, the group is costly.

The City's eyes will be on Watling Street this morning looking for the progress of the Bank of England's latest giltedged issue. The Lex column essesses the prospects for its success. The Gas Corporation has produced expected bumper profits and is now proposing to lend the Government money. The big company-news story of the day came from National Westminster Bank, which more than doubled profits thanks to the lending boom and soaring interest rates. Finally Lex takes a look at the robust defence by Bestobell against BTR's takeover proposals. Elsewhere, results from Siebe Gorman, Allied Textile, Arlington Motor, Howard Machinery and Rosgill come in for comment.

57.4p basic and to 54.9p fully reserves in the year of acquis

Comparisons are restated following provisions for bad and doubtful debts, profits and losses on realisation of investments, franked investment income, depreciation and deferred tax as in the 1978 accounts.

The profit figures include two months from National Bank of North America. The chairman says this bank's figures are developing satisfactorily but after funding costs there is no significant effect on group profits. He says NatWest is very close

to its corset limit, but not over it. He also makes it clear the Bank is not planning a rights issue. This is a non-issue internally and has been for some time," he states.

The excess of the cost of

Mr. Balfour is satisfied with

the progress made by the hotels, managed public houses and wine

and spirit businesses, and in any reasonable climate they will

The chairman says that there

has been a further tightening of control of capital expenditure

and a quicker response to the needs of the market place. He

feels that there is still a long

way to go and a reconstruction of the magnitude undertaken by

At the year end the group had committed expenditure of £9.5m

(£11m) and a further £31.3m (£12.4m) had been authorised

but not yet committed. It is

The recovery has been notice anticipated that expenditure will is given as 263p (262p). The net able in all brands but the group is particularly pleased with last two years, and adequate already been paid. Last year's McEwan's lager. Several new facilities are available. In 1978, total was 6.834p pn taxable

brands have been launched and 1979 investment in plant capital revenue of £1.02m.

continue to prosper.

'ALTHOUGH COSTS of the in canned ales margins have investment

tion. The amount which will fall to be deducted in 1979 in respect of the purchase of National Bank of North America is estimated to be £86m.

With effect from this half-year income from equipment leased to customers has generally been credited to profit and loss account on the investment period method of accounting, that is, in proportion to the funds invested. Previously income was credited to profit and loss account over the primary period of the agree-ment in proportion to the reducing outstanding primary rentals.

results of this change has been to increase the pre-tax profits by £9.3m, reserves have been credited with a further £16.3m £9.3m. in respect of prior years.
It is not practicable to restate the comparative figures for this change, the directors say.

As reported July 6 group profit

before tax amounted to £35.7m

(£35.4m) for 1978/79 - current

cost adjusted profit was £26.1m (£27.1m) after additional depre-

ciation £8.9m (£8.1m) increase in

cost of sales £3.1m (£2.1m), less

Meeting Edinburgh, August 16

U.S. & General

Revenue of United States and

General Trust Corporation rose from £301,912 to £350,954 in the

half-year to June 30, 1979, after tax of £190,000, against £179,000.

Net asset value per 25p sbare

adjustment £2.4m

gearing

S & N ready for 'fierce competition'



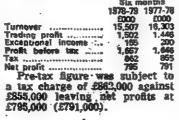
Mr. Godfrey d'Arey Biss, chairman of Siebe Gorman.

Similar profits at **Allied Textile**

TAXABLE profits of Alfied Textile Companies were virtually unchanged at £1.66m for the six months ended March 31, 1979 against £1.65m last time, including an exceptional income of £155,000 compared with

Profits reached a record £3.2m (£2.8m) for 1977-78, which included an exceptional income

of £487,954 (£204,039).
Earnings per 25p share are shown unchanged at 12.7p for the six months, and the interim dividend is maintained at 2.82p net-last year's final was 4.42175. Also proposed is a one-for-five scrip issue. Turnover was lower at £15.51m



Allied Textiles is still locked in a period of transition. The up-turn in the areas which the group believes are capable of exgroup believes are capable of ex-pansion has been broadly offset by the continued decline in some traditional divisions—provision has aiready been made for the partial run down of the Eldon Combing and Henry Wheatley subsidiaries—and the upshot is a trading profit gain of no more than 4 per cent. The

shown by a similar rate of tur-over decline, even though the Iranian contract has largely been replaced by other orders in the Middle East and elsewhere. Some 15 per cent of the sales total is accounted for by businesses which ATC expects to start closing within the next 18 months while some 25 per cent (against 20 per cent in the previous year) is contributed by the growth non-apparel areas. The top-end of the carpet field is apparently performing well and the 121 per cent stake in Hugh Mackay clearly presages a closer link between the two companies. Cash and near cash holdings of some £3.5m (worth 56p per share) plainly provide a good deal of scope for diversification and help to underpin a share price of 144p, up 4p yesterday. Assum-ing a maintained rate of distribution on the proposed capital expansion, the yield is 8.8 per cent and same again fully taxed earnings enable a safe prospective p/e of 5.3.

Woodrow Wyatt keeps up pace

WITH second-half profits ahead from £180,110 to £198,138, the recovery at Woodrew Wyatt Haidings, printer, continued, and the year to March 31, 1979, finished with a taxable surplus of £369,405, against a £68,238

The year's dividend total is boosted to 2.5p compared to a single 0.1p payment in 1977-78. At halfway, there was a £171.267 profit compared with a £248,348 loss, and the directors said prospects were looking brighter than they had for some

They now say trading has continued satisfactorily since the year-end, and prospects are

The pre-tax surplus was struck after interest of £202,060 (£203,825). and exceptional debits of £57,658 (£69,915). Turnover reached £6.31m Turnover reached £6.31m (£5.92m). Tax took £50,541 (£36,094).

giving earnings per 5p share of 7.54p, compared with a 2.7p loss previously.

Philip Hunt Chemical up in first half

Philip A. Huat Chemical Cor-poration, of the U.S., a subsidiary of Turner and Newall, reports that in the six months ended June 30, 1979 sales were a record June 30, 1979 sales were a record 552.33m against \$43.92m for the same period of 1978. Net income solvanced by 24 per cent to \$3.86m compared with \$3.12m. Second quarter sales were \$27.34m compared with \$23.92m while net income for the quarter tent. 27.365m compared with \$23.92m while net income for the quarter tent. 27.365m compared with was \$2.06m compared with \$1.77m, an increase of 16 per

First half earnings per share are shown at 68 cents (58 cents).

The directors say afrong growth continued in the sales of products for the electronic and electrostatic copying industries in both domestic and European markets.

Rapid penetration of European hotographic markets continued but there was slow growth of photographic products in the U.S.

High liquidity at Victoria Carpet Hldgs.

Liquid resources of Victoria Carpet Holdings remain strong Carpet Holdings remain strong and the company is well able to undertake development of any new techniques which the Board decides to adopt, the chairman says in his annual statement.

At present, the picture is confused and it may be some time before the next major technical decalorment in the trade be-

before the next major technical development in the trade becomes apparent, he says there is no sign of the world surplus of carpet manufacturing capacity ending; consequently, demand will continue to be uneven. Steady production runs will be the exception and flexibility at a premium.

The Australian company's position is much the same as that in the UK. It is pursuing quality rather than high volume at low prices, and the Board is confident it can maintain a good position in that market given

Siebe Gorman down at £3.6m after heavy costs

AFTER EXCEPTIONAL items totalling £1.14m profits before tax, of Siebe Gorman Holdings amounted to £3.57m in the year ended March 31, 1979 compared with £4.41m previously. Turnover was up 13.8 per cent to £48.2m.

The exceptional items comprise £662,000 engineering development expenditure written off, £250,000 set aside for special renovations and £225,000 reorganisation expenses written off.

Restated earnings per share are shown as 28.3p against 27.5p and the final dividend is 2014p lifting the total from 5.641p to

1978-79 1977-78 Turnover Turnover Trading Profit Control of The Board has continued the policy of writing off all engineer-

ing development expenditure during the year in which such expenditure was incurred. The exceptional cost of £862,000, 1s the engineering investment in the new Merryweather electro : comment hydraulic turntable ladder Flavor expentions

A total of 115 Merryweather units built between 1961 and 1972 will be eligible for replacement within seven years at an approximate total market value of 215m and the company has been formally advised of a significant

DIVIDENDS ANNOUNCED Corre Total sponding for Convent of s Oct 2 Allied Textile Arington Motor
Arington Motor
Howard Machinery int. 958
Investing in Success int. 195
Jernsyn Trust Aug. 31 Sept. 28 Oct. 5 0.91 1.59 Oct. 1 Aug. 31 12.83 Netwest mt. 35 Rospill Shemield Refreshment 102 2.31 2.29 Vantage Sers. ini 925 Whoeler's Woodrow Wyatt Oct. 1 2.83* 5.88 0.1 3.43

Bividends shown pence per share net except where otherwise stated.

Equivalent after allowing for scrip issue. † On capital independ by rights and/or acquisition issues. and disposals added £500,000 to

other of financial abstraces towards this project from the Department of Industry.

The amount written off as reorganisation expenditure, represents the cost of establishing Steepleglade and its sub-sidiary, the Inega Manufacturing Company, in new warehousing, distribution and manufacturing

Heavy exceptional expenses have halted the 14-year run of profits growth at Siebe Gorman and the share price reacted with a 32p dive to 168p. Even on a trading basis the figures were unimpressive with second-half profits up by less than 4 per cent. To complete the tale of wor, exchanges

extraordinary debits leaving the attributable figure down 15 per attributable figure down 15 per cent—despite a much lower tax charge. The group is confident that matters will improve this year. The Steeplegate leisure-wear subsidiary is now trading profitably, the Zambian and Rhodeslan. associates are improving and there are lingly hopes for the new turntable ladder. Of the 5682,000 investment in this project last year, around \$400,000, may be recovered over three years through Government assistance. through Government assistance. The stated p/e of 5.8 and well-covered yield of 5.6 per cent are supported by a fairly sound-balance-sheet though net short-term borrowings have rised by around 20 per cent to £3.7m.

ISSUE NEWS

Essex Water tenders top £13m

been subscribed for a water had been made.

Yesterday, a total of £13.1m was subscribed for a £6m issue of 8 per cent redeemable preference stock 1984 by the Resex. Water Company. The previous highest amount ever put forward for a water stock issue was just under £13m two-and-a-half years ago for a Mid-Kent issue.

Details of the result show that the highest price offered for stock was £105.50 per cent, against a minimum of par, while the lowest price accepted for a partial allotment was £101.25 per cent and the average was £101.39

In all there were 85 validitenders put forward of which 85 received full alloiment and two received a partial amount. Brokers to the issue were Seymour Pierce and So.

ENGLISH AND

OVERSEAS

English and Overseas Investments' recent rights issue has received acceptances for £481,369 of 12 per cent convertible unsecured loan/stock 1990 amounting to 46.76 per cent of the issue. This includes £292,271 stock in

King & Shaxson

Service Index 24.7.79

B. ELLIOTT

B. Elliott's rights issue of 2.42m shares has been taken up to the extent of 89.39 per cent. The balance has been sold at 217p each and the net proceeds will be remitted to the persons to whom such shares were provisionally allotted. .

YEARLINGS

The coupon rate on this week's batch of local authority yearling bonds is unchanged at 124 per cent. The bonds are dated July 30, 1980 and issued at par. This week's issues are: Crawley

Borough Council (fim), Brain- (fim), Birmir tree District Council (fim), Council (fim), Tameside Metropolitan Borough of Brent (fim).

Council (£im), East Hampshire District Council (£im), Orkney Island Council (£im), Worthing Borough Council (£im), City of Eiverpool (£2‡m), Congleton
Borough Council (£4m), London
Borough of Hackney (£2m),
Halton Borough Council (£4m),
Tunbridge Wells Borough Council Tunbridge Wells Borough Council \$\frac{1}{2}\text{im}\). Allerdale District Council \$(\frac{1}{2}\text{im})\), London Borough of Barking \$(\frac{1}{2}\text{im})\), London Borough of Bexley \$(\frac{1}{2}\text{im})\), Grampian Regional Council \$(\frac{1}{2}\text{im})\), London Borough of Hillingdon \$(\frac{1}{2}\text{im})\), The Receiver for the Metropolitan Police District \$(\frac{1}{2}\text{im})\), Kennet District Council \$(\frac{1}{2}\text{im})\], Wansbeck District Council \$(\frac{1}{2}\text{im})\], London Borough of Greenwich \$(\frac{1}{2}\text{im})\], London Borough of Haringey \$(\frac{1}{2}\text{im})\], Birmingham District Council \$(\frac{1}{2}\text{im})\], London Borough (flm), Birmingham District Council (flm), London Borough

PETROLEOS MEXICANOS

US\$ 100,000,000

Floating rate notes 1984

For six months

24th July 1979 to 24th January 1980

In accordance with the provision of the notes notice is hereby given that the rate of interest has been fixed at 11 7/16% per

By: Chemical Bank, London (Agent Bank)

Exchange of views



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Compañía de Acero del Pacifico, S.A. Chile

US \$42,000,000

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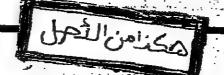
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Swiss Bank Corporation The Daidchi Kangyo Bank, Limited Union Bank of Switzerland

Bank of London & Montreal Limited
(Amember of the Lloyds Bank Group) Ciribank, N.A. Grindlays Bank Limited International Mexican Bank Limited Swiss Bank Corporation The First Pacific Bank of Chicago The Fuji Bank, Limited Union Bank of Switzerland Union Trust Company of Maryland

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OS

FINANCIAL TIMES SURVEY

Wednesday July 25 1979

ENGCITIVE CARS

Leadership is rare there are twelve ways to achieve it.

The current Saab range is the result of a sustained determined effort to produce a more reliable, safer, and highly efficient performance car. In short, a car Born to lead all others.

The twelve models in the Saab 99 and new 900 range, incorporate the excellent design and all the innovations that have always been the hallmark of Saab leadership.

The beautiful, aerodynamically efficient body is a result of persistent improvement which gives the whole range a natural elegance, a car with style—the conformal order.

the car for a leader.
Inside, one recognises the luxurious, rational, yet comfortable design that has safety and efficiency in mind. The dashboard, both on the 99 and 900

models, has been developed jointly with Saab Aerospace division, to maximise driver control and visibility.

All models boast the exciting rally-proven two-litre engine, that has once again achieved outstanding success this year.

But not until your first test drive will you be truly aware of Saab's full power and unmatched roadholding characteristics, that respond to your every command.

All twelve models are refreshingly special—from the breath-taking 900 Turbo to the two door 99GL which is unquestionably the most impressive car you will find in its price range. But don't take our word for it—test drive one for yourself and experience a rare source of leadership.



The Saab 99 range from £4,978.00.
The Saab 900 range from £6,117.35p.
All prices and specifications correct at time of going to press.
Prices include Seat Belts, Car Tax and VAT

SAAB (Gt. Britain) Ltd. Saab House, Fieldhouse Lane, Marlow, Bucks. St.7 ftX. Telephone: Marlow (96284) 6977



Mercedes-Benz 230C and 280CE coupes bear a family resemblance to the saloons from which they were derived but have long sloping front and rear windows and pillarless side windows



The Rover VSS saloon launched earlier this month offers ar conditioning, sunshine roof and headlamp wash/wipe as standard fittings

Definitions of the term "executive car" vary but customers are willing to wait months for the one that they want. However, a variety of protocols is involved in the type of car a company will allow as a perk and the amount it can cost, creating a wide-ranging market that the manufacturers are willing to cater for.

Market is a guide to prosperity

By KENNETH GOODING, Motor Industry Correspondent

picture of what in their terms is he "executive" car market. They do not all agree because subjective judgment comes into the reckoning. But not many would argue with the following description. Executive cars have engines of between 2 and 3.5 litres. They are 14 to 15 ft long but it does not matter if they come in a two-box or three-box shape. In the UK prices-start at around £4.500 at the bottom end of the executive market and end at around £10,000 at the top end.

Around the £10,000 mark the luxury car market begins a market which accounts for roughly 2 per cent of each of the individual European car

The size of the executive car market does not necessarily follow living standards but it provides a reasonable guide to country.

In the pop-star/jet-set tradition

Likes traditional British things

A person who loves fine cars

Patriotic in supporting British

Lucky to be able to afford one

Uses more petrol than they ought

Doesn't care about less fortunate

A member of the Establishment

Unnecessatily extravagant

Concerned with status and

A successful businessman

Helping to keep Britain's workers in jobs

Runs it on company expenses

Appreciates eraftsmanship

A self-made person

impressing others

Uses it as a tax dodge

Industry

MOST MOTOR manufacturers For example, when a country have a fairly well-defined has more than one indigenous car manufacturer which concen-trates on the top end of the market, this shows up in the

> In Sweden, where the executive sector by our definition accounts for over 44 per cent of the total market and gives the country the lead among the indus-trialised European countries, both Volvo and Saab are heavily orientated towards this particular segment.

Similar

Question: "Which of these statements apply to someone

spring 1976

who has a new . . .

statistics.

In West Germany there is a similar situation, with Mercedes and BMW spanning the executive and luxury sectors while Audi (part of Volkswagen of course) and Opel (part of General Motors) as well as Ford the locally assembled Granada compete strongly in the executive part of the market with attractive new products. No wonder, given West Germany's

But various distortions occur. high standard of living, that the

autumn 1978

41

21

18

13

15

20

G

12

12

27

33

Source: MORI 1979.

.27

49

64

31

43

20

captured over 1 per cent more the following year. The expansion has much to do with the introduction of the Renault and 30s and the Citroen PEOPLE'S VIEWS OF ROLLS-ROYCE OWNERS

reason the French executive car market is not bigger in spite of the reasonably high living standards in most of the country is that it shares with Italy and Denmark the distinction of having legislation which militates against cars with big engines.

good reasons for buying a Rover

when there are so many other

cars in the same sector to

Good products do seem to ex-

In all three countries car tax climbs very steeply on cars with engines of two litres andabove—getting progressively more penal as the engine size gets larger. The "gas guzzler" tax, European style, makes sense for countries without oil supplies of their own. But the problem is that these days manufacturers have to provide full ranges of cars-bigger ones too—if they wish to succeed internationally.

On the subject of market distortions, the UK sales of executive cars tend to be below the European average, at least in terms of the percentage of the total market accounted for.

The UK is the home of the company car and nine out of ten executive cars are purchased one way or another by corporations or partnerships. The system of having the car first as a "perk" and then as an essential element to attract people to a new job springs from the heavy and progressive

of the 1970s. During all those series at the top end.

14 per cent of total new car sales. The lowest level was reached in 1976 when the percentage share dropped to 12.2.

executive car manufacturer must do well if it expects to This could be "blamed" on the make any real impact in Europe Jaguar / Rover / as a whole. That is why West Triumph experienced with the Germany provides such an imlaunch of the new Rover saloons portant challenge for the Rover saloons, for example. BL's after phasing out the old range. Rover: usually account for about one third of the UK subsidiary Jaguar/Rover/ Triumph (JRT) is concenexecutive car market and the trating great efforts on West fact that they were not available Germany with the Rover range naturally led to the market but it will take some time before the results show up in sales. JRT has got to give the German customer some very shrinking, Customers

willing to wait for the executive months. But if the waiting list is nine months long you will probably lose them. And cus-tomers were willing to walt for pand the market and the prime year," in 1976.

took 15.6 per cent of the corporate hierarchy and the fact involve units, not value—market in France in 1977 and that they now account for two brings higher income and more that they now account for two thirds of the new car market in Britain distorts the executive sector in various ways.

> For instance, there are those who would aspire to an executive car and would be willing to pay disproportionately large part of their net income to acquire them with a car with the jobnot an executive car, but a car. Because of the hierarchical structure of the company car flect the individual is not only not entitled to an executivestyle car; there is no way he can the corporation outlay so that he can have the car he really wants. Instead he often resorts to buying for his family a small car with very high specifications to supplement the use of the car the company has allocated.

Despite the UK executive car sector remaining at a steady 12 to 14 per cent of the total market, it is one which has attracted plenty of new competition in the past three years or

The reason has much to do with the previously mentioned fact that companies buy two out of three new cars-and company fleet managers prefer to take all their cars from the same manufacturer, if that is possible. So an executive car in a manufacturer's range can help with the capture of those important company fleet sales.

Apart from the progressive introduction of the Royer personal taxation which has been a feature of life in Britain for many years past.

This company car demand has and offered a five-door Avant; produced very stable—but very BL has brought in the Princess flat — demand for executive 2-litre at the bottom end of vehicles in the UK for the whole the sector and Saab the 900

country accounts for nearly half years the executive sector has Alfetta Alfa and Lancia Beta of all the executive cars sold in expounted for between 12 and have arrived from Italy along Motors has made a big impact consideration to Japanese cars system because it has changed consideration to Japanese cars system because it has changed on the market with the Senator and Monza from Opel, its West companies still insist on the indirect taxation while at the fleet manager turning to UK-same time letting it be known based manufacturers for their that companies ought to begin based called the Carlton and Royale are assembled a broad "machine." General with the Fiat 132.

> The Japanese manufacturers, in particular Datsun. Toyota UK as part of the Common and Colt, have made their play Market, will allow European in what must be more of a made cars to appear in the long-term strategy given that corporate fleet. Particularly in the image the Japanese chose the to present in Britain for the individual executives are given past ten years was of being an indication of the sum of manufacturers of extremely money they can spend on a car reliable but inexpensive cars.
>
> But now that they seem to they would like within that:

face perhaps several more years of restrictions on shipments from Japan, the importers feel that the only way to continued growth is to move up the marprofit.

selves are assembled abroad. Some companies, viewing the

executive car sector price limit—as long as it is a

Companies also tend to frown on exotic cars for their execu-

The UK Government has now down with his corporate fleet, small car with a full tank.

Alfetta Alfa and Lancia Beta

It will take some time before taken the first steps which he would do well to show the have arrived from Italy along the ubiquitous corporate buyers might eventually lead to a major way by (temporarily) giving up in the UK will give favourable shake-up of the company car-consideration to Japanese cars system because it has changed based manufacturers for their that companies ought to begin vehicles, even if the cars them dismantling their complicated selves are assembled abroad. "perks" machinery.

> This will certainly not be an overnight process and it could be that the company car ystem will remain endemic in UK industry. In the immediate future there

Endemic

might be some trading down from the luxury sector to executive cars in the wake of the sons. If the managing director pand the market and the prime year," in 1976.

growth is to move up the market and the prime year," in 1976.

growth is to move up the market and the prime year," in 1976.

growth is to move up the market and the hight of the executive car class. And in the second to put wishes, in the light of the executive car class. And in the second to put wishes, in the light of the executive car class. And in the second to put wishes, in the light of the executive car class. And in the second to put wishes, in the light of the executive car class. And in the second to put wishes, in the light of the executive car class. And in the second to put wishes, in the light of the executive car class. And in the second to put wishes, in the light of the executive car class. And in the second to put wishes, in the light of the executive car class. And in the second to put wishes, in the light of the executive car class. And in the second to put wishes, in the light of the executive car class. And in the second to put wishes, in the light of the executive car class. And in the second to put wishes, in the light of the executive car class. And in the second to put wishes, in the light of the executive car class. And in the second to put wishes, in the light of the executive car class. And in the second to put wishes, in the light of the executive car class. And in the light of the executive car class. And in the second to put wishes, in the light of the executive car class. And in the light of the executive car class. And in the light of the executive car class. And in the light of the executive car class. And in the light of the executive car class. And in the light of the executive car class. And in the light of the executive car class. And in the light of the executive car class. And in the light of the executive car class. And in the light of the executive car class. And in the light of the executive car class. And in the light of the executive car class.

his luxury vehicle for one at the top of the executive class. The recently introduced Rover VSS, is the type of our which could attract such a customer

a alou

reu sh

There seems little likelihood in the medium-term of the consector anywhere in Europe. To start with all the evidence above that people would go without or give up a great many other things before reluctantly

Then there is still a great deal the availability of fuel, not the

Prestige identity for European makers

THESE DAYS there are very few car manufacturers which do not have their own "executive" vehicles in the range. In Europe, for example, the Granada carries the banner for Ford, the Opel Rekord/Vauxhall Carlton and Opel Senator/Vauxhall Royalle do the same thing for General Motors while the Renault 30s and Peugeot 604s provide examples from France.

It is fair to say, however. that there are a number of European manufacturers whose names are usually linked with "executive" motoring. This, in alphabetical order, is the way they line up.

Aston Martin of the UK. This group is based at Newport Pag-nall, Bucks, and makes the V8, Vantage, Volante and Lagonda. There are 202 employees and the company is currently producing at the rate of about 288 cars a year. Annual turnover

Audi NSU. In 1969 Audi became part of Volkswagen of West Germany but qualifies for this list-like Jaguar Rover Triumph and Lancia later—because it retains a specific personality in the market place and its own identity.

The company employs 28,490 and in 1978 car production rose from 143,681 the previous year to 208.508. Sales rose 6.6 per cent in value terms from DM 4.23bn (£1.06bn) to DM 4.509bn (£1.13bn). Capital investment shot ahead, however, as the company worked towards introducing the new Audi 100, and increased by nearly 77 per cent from DM 156m to DM 276m (£39m to £69m). Output at the Ingolstadt plant is around 505 Audi 80s and 450 Audi 100s a day, while at Neckarsulm 324 Audi 100s a day are turned out. Some Audi 80 production takes place at the VW plant at Emden which also produces the VW Passat. Audi output is 206

(Bayerische Motoren RMV In 1978 this West Werke). German group sold all the 320,000 cars it produced compared with production and sales has absorbed L188.5bn (£102m). of 296,000 the previous year. Turnover was around DM 6bn (£1.5bn) against DM 5bn while West Germany. Daimler-Benz is about 8,000 vehicles a year and

(£31.25m). BMW has more than. 30,000 employees in the car business (it also manufacturers motor cycles and engines) and at Dingolfing and

More than half BMW's output is exported and it aims to spend around DM 4bn (£1bn) over the next three to four years to-renew its model range and modernise production, adding a little to capacity at the same time. Capacity will probably rise to between 380,000 and 390,000 cars by 1985.

Jaguar Rover Triumph of the UK. This is the prestige car end-of the state-owned BL group. It has 32,500 employees and an annual turnover of more than £1bn. Annual output is around 200,000 cars. Jaguar cars are assembled at the Browns Lane plant in Coventry, the main Triumph factory is at Canley,... the Rover plant (which also makes Land Rovers and Range Rovers) is at Lode Lane, Coventry. One of the most significant investment projects within the BL group is the £280m programme to double output of both Land Rover and Range Rover four-wheel-drive

vehicles by 1982. Lancia of Italy. This is a subsidiary of Flat, Italy's largest Porsche and Piech families. industrial group, but has its own identity and plants. There are 12,000 Lancia employees but they are also responsible for manufacturing Fiat's "Mini" the Autobianchi. Plants are in Turin, Civasso and Verrone A smaller Lancia of VW Golf/ Ford Flesta size and called the Delta-is to be launched in Italy. in October and will be assembled at Lingotto, Fiat's oldest plant but one with a replitation for quality work. Output of cars bearing the Lancia badge last year (not in-

cluding the Autobianchi models) totalled 26,848 for the Italian market and 34,724 for export. The major export market is the UK, which took 12,290 Lancias last year.

turned out 393,203 cars, a slight was £17.5m. decline from the 401,255 achieved in 1977. But in 1978 were exported.

Daimler-Benz has started a increase capacity to an annual Employees in the car part of 420,000 cars and 50,000 engines. the business total around 5,500. It will also enable a site near the Bremen plant to be used for the manufacture of a "smaller". Mercedes. The other car plant is at Sindelfingen.

at Sindelfingen.

The group has joined with
Steyr-Daimler-Puch of Austria
(there is no formal equity link between the two) to produce around 11,000 cross-country vehicles a year. Daimler-Benz also made

248,100 trucks and commercial vehicles world-wide last year, to give it a total turnover of DM 21.95bn (around £7bn) and profits of DM 474m (£118.5m). There are 173,00 employees. Porsche of West Germany. This is a privately-owned company unaffiliated to any other

manufacturer. It has 10 share-Production of the 928 and 911 models at Stuttgart-Zuffen-hausen is around 15,000 a year, while the 924 model, manufactured in Neckarsulm, reaches some 24,000 a year. The com-

pany employs about 5,000. The metal workers dispute in Germany affected 1977-78 output But turnover was up from DM 1bn to DM 1.12bn (£25m to £30m). Net profits fell from DM 17m to DM 10m (£4.25m to £2.5m). Exports represented 69 per cent of turnover.

Reliant Motors Group of the UK. This company qualifies for the list through its Schnitar sports saloon, although it also attacks the low-cost end of the car market with the three-wheel Robin and four-wheel Kitten Over the past five years Slimmed down considerably Laucia's investment programme since it, was acquired three years ago by J. F. Nash Securi-ties; the company produces Mercedes (Daimler-Benz) of

net profits emerged marginally Europe's biggest truck pro has 1,000 employees at its Tambetter at around DM 125m ducer. But last year it also worth base. Turniver last year

Rolls-Royce Motors, The nonnationalised part of the old the group was affected by the Rolls-Royce business assembles metal workers strike. Some 45 the Silver Sadow and the Silver Shadow per cent of the cars produced Camargue at Crewe as well as Bentley versions. The Corniche is produced in North London. DM 10bn (£2.5bn) investment Last year the group turned out programme to cover the period. 3,347 tars, but output should 1979 to 1983 which will help be increased a little in 1979.

Rolls-Royce Motors also makes diesel engines and other products. In 1978 the car division contributed £85.5m of the

sion contributed £35.5m of the total £152m turnover and £10m of the £16.5m trading profit.

Stab of Sweden This is part of Saab Scania, which makes alteraft and trucks (Scania) as well as passenger tehicles. The company has 18.560 employees.

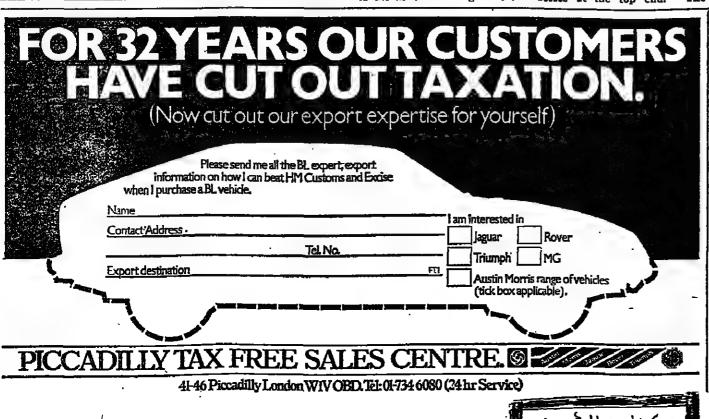
Last year car output fell 5 per cent to £2.560 units as the division ran down stocks of Saab. division ran down stocks of Saab 99 cars preparatory to the introduction last autum of the 900 series. The 900's success will lead to a substantial production \$5,000. About 49 per cent of output was exported last year. The car division contributed SKr 37bn (£38m) of the group turnover totalling SKr 11.84ba (£1.2bn) lasf year. The division

has its plant at Trollhattan. Volve of Sweden. Velvo is the largest industrial enterprise in Scandinavia, with manufacturing and sales facilities throughout the world. Turnover of the group was SKr 19bn (£2bn) in 1978. The Volvo Car Corporation contributed more

empiors around

than SKr 10bn (£1.06bn) During 1978 Volvo Car sold 278,000 vehicles and the production target for 1979 is 315,000 to 320,906. It has more than 22,000 employees. The main plants are at Torslanda and Kalmar in Sweden as well as Born in the Netherlands and Ghent in Belgium. Volvo abs makes buses tracks are engines marine and industrial engines and construction

Kenneth Gooding



It has everything you could unreasonably demand.

When you pay over £9000 for a motor car, there are one or two things you should be able to take for granted.

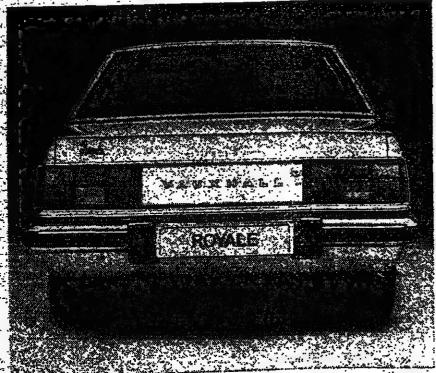
The first is a measure of exclusivity.

What pleasure is there in owning a car that could be mistaken for one costing £2000 less than you paid.

The second is a fitting level of equipment to match the price.

Being asked to agonize over a list of options can be both tiresome and inappropriate.

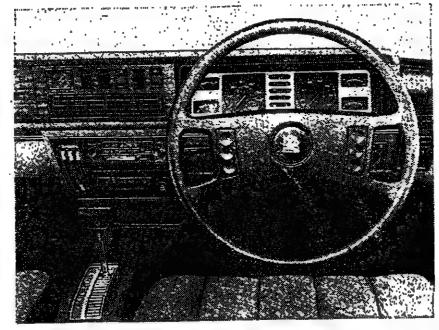




On both counts, you'll find the new Vauxhall Royale saloon a refreshing change.

It costs £9428 and there isn't a cheaper version even if you wanted one.

There are just two options available: manual transmission at no additional cost (automatic transmission is standard) and air conditioning for a further £770.



Everything else you could possibly wish for is standard equipment.

The engine is a 2.8 litre, six cylinder unit that carries the Royale to a top speed of 115 mph. (Manufacturer's figures.)

And because it develops maximum torque at just 3400 rpm, there is no sense of strain or urgency, even under hard acceleration.

Inside, the appointments are a Puritan's nightmare.

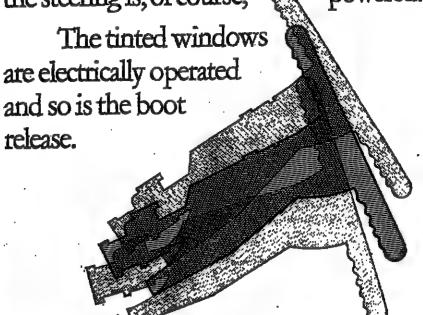
All seats are covered in crushed velour with individual head restraints.

The driver's seat adjusts for height as well as for reach and rake.

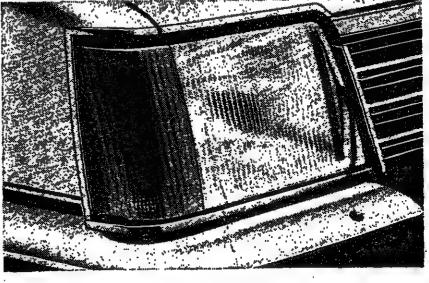


There is central locking for the doors, a steel sunroof and radio/stereo cassette player with three loudspeakers.

The steering column is tiltable and the steering is, of course, powered.



While a brilliantly engineered suspension and superbly aerodynamic body shape make the Royale uncannily quiet at any speed.



Outside, you'll find the same meticulous attention to detail and finish.

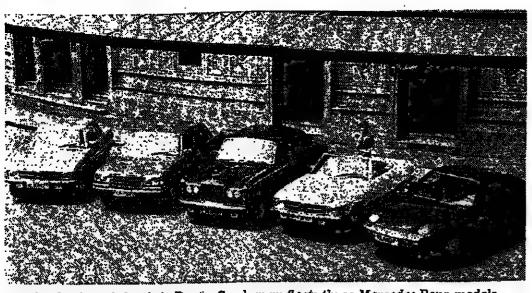
Double-skinned metallic paint, alloy wheels and a headlamp wash/wipe system.

And styling that is a welcome relief from the Pan-European designs that are becoming daily more common.

Ask your nearest Vauxhall dealer to give you a demonstration run in a Royale.

We think you'll find it's one of the best appointed luxury cars on the road.





A selection of the Avis Rent-a-Car luxury fleet: three Mercedes-Benz models, a Rolls-Royce Silver Shadow and a Porsche 928

Rented luxuryfor £700 a week

long-lasting effect on the hire of luxury cars, which are in the lets for used vehicles which main, fuel-thirsty. For costs of often have less than 14,000 fuel. or for that matter the cost miles on the clock. of the hire of the vehicle, are not the central criteria upon executive car rental business which a driver decides whether for about ten years. The comor not to rent a luxury car— pany—a BL main dealer—which can cost up to £686 a started to hire cars as a service

Rather, he or she wants reliability—and the kudos attached to driving a car such a Porsche, Mercedes Benz, Rolls-Royce, Jaguar or BMW. As one company in the business said: "A businessman cannot afford the time for the car to break down, and besides he wants the prestige of driving a luxury car. More customers in this sec-

tor of the market are business people—either foreigners on a short business trip to the UK or UK businessmen who either want a luxury car for special

But there are slight differences in custom between com-panies in this sector of the market—all of whom tend to be London-orientated, Guy Salmon Car Rentals claims to be more into the UK business house market than its competitors, Avis, Hertz and Swan National

Avis Rent a Car, part of the multinational Norton Simon luxury cars. They market the Group which bought it from cars in Guy Salmon's name. In ITT in 1977, has more of an effect this is sub-contracting if they have an accident with international clientele than its with Guy Salmon wholesaling a luxury car." Because of the car rental. group's international companies. offering a chauffer service, while Hertz sees its market more in the middle range of luxury car customers. It used to run Daimlers but the supply of This has continued, even with new cars was inadequate, and the West End base now until last year, when it intro-operational. duced the Mercedes Benz, its "top car" was the Granada Ghia.

The number of car rental companies in this sector of the business is relatively small. This is because the business needs a high capital outlay—during the past 12 months costs of new rapidly-and because there is pay for good service.

INCREASED PETROL cost an emphasis in the business on But there is perhaps a slight seem to have had little or no fast turnover of vehicles. There-uncertainty over the market-

Guy Salmon has been in the started to hire cars as a service to existing customers when their cars were off the road.

Mr. Richard Salmon, managing director of Guy Salmon Car Rentals, then saw a gap in the market between the massive international car rental cor-porations and the much smaller, local operators who comprise about 70 per cent of the total UK rental market.

Faster

opened a new base in the West End of London to provide it appointments or whose own com-pany cars are being repaired or customers. It expanded its fleet who are waiting delivery of a of luxury cars and offered a 365-days-a-year, 12-hours-a-day

The company's first luxury cars for hire were the Rover 2000 and the Jaguar XJ6. Now its fleet comprises about 250 cars (out of a total of 500 hire cars) and includes the BMW, Mercedes-Bens, Saab Turbo, Porsche 924 and Range Rover.

In its early days the company found that in order to compete business" end of the market, with the ordinary rental companies it had to have a free delivery and collection service, particularly as its headquarters were outside central London.

Turnover of cars is rapidabout every nine to 10 months. Richard Salmon said: "People will not tolerate high mileage cars. If a man is renting a Jaguar Series 3 at about £320 a week he does not want a tired-looking cars. But basically the customer is not interested luxury cars have increased in the price—he is prepared to

fore a company needs good out- the VAT increases, the price of luxury cars rising steeply and the Government examining the issue of company cars and This is why companies in the business are increasingly emphasising the rapid turnover of vehicles, which lessens the

blow of depreciation. However, although the Budget has altered tax allowances on leased cars, there is no restriction on the amounts claimed by customers against tax on shortterm rental.

Richard Salmon has seen companies getting into difficultles because, faced with rising purchase costs, they have held on to cars with resulting heavy losses. It is also a market which is increasingly difficult to enter because of the high purchase costs. Also, without Three years ago the south- purchase costs. Also, without west London-based company a good relationship with dealers car rental companies find it difficult to obtain luxury models, for which there are waiting lists of up to two years.

Because of the value of their cars, car rental companies have special insurance schemes. Guy Salmon operates its own comprehensive insurance policy which gives third party cover up to £1m. Avis Rent a Car's Collision Damage Waver, which costs £6.50 a day (the normal fleet insurance cover costs £1.50) only entails customer Guy Salmon also supplies liability of the first £500 of smaller rental companies with damage. As one company said: damage. As one company said: " Some customers do not realise the full extent of costs involved value of the cars most companies operate a 30 years

> Avis Rent a Car, whose luxury car fleet includes the Porsche Rolls-Royce Cor 350SL Mercedes-Benz Jaguar XJS, has more international custom then its competitors, having sister company the market leader and offers a range of services, including that of the chauffeur-drive car. Its £500,000-lus luxury car fleet comprises about 50 cars, excluding the Granada range. These, despite it being a multi-branch company, are only generally available in the London area. Lisa Wood

even petrol and insurance

There's also a 1 year

unlimited mileage plan.

And if you would like

all the benefits of leas-

ing with Hertz today

but wish to keep your

it to us and we'll lease

existing fleet, simply sell

As Jackie Stewart says,

"Leasing with Hertz will be

better for you in the long run."

can be built in.

it back.

The status battle

MANY COMPANIES complain for the car he owned or the use more foreign cars, especially that they waste an inordinate of a second car for his wife and from the EEC countries. allocation policy and the make, type and even the colour of the car finally pro-vided. So says Mrs. Helen Murlis. executive remuneration adviser to the British of Management (BIM), discussing the BIM's survey into "Business

The BIM has been monitoring the subject for four years and now suggests that nearly two-thirds of all new cars registered in the UK are either owned or financed by companies for their directors, managers, sales and service staff. That means more than 1m new cars will be purchased by companies this year. Take a conservative average price of £3,500 for each and that implies companies will spend £3.5bn in 1979 on passenger vehicles—or more than 2 per cent of the UK's Gross Domestic Product.

No wonder Mrs. Murlis maintains: "Much of the British motor industry is geared to the company car market and model ranges are designed as much to correlate to company status hierarchies as they are to the needs of different kinds of pri-vate motorist."

the place where the company car within a specified price range flourishes. Cars have been one than lower down the scale. They of the most effective ways of may specify in addition that the adding to an employee's income car is British or at least without making substantial addi-Common Market made—given tions to his tax burden. The that so many so-called British BIM reckons that a company cars are now assembled in car has been worth somewhere Europe. between £1,500 and £2,000 a year depreciation, tax, insurance

17,940 14,322

297,562

47,456

175,142

Source: Jaguar Rover Triumph

Finland

Netherlands

Portugal

France

amount of top management family. In either case there is a

standard of living." Nearly every company covered were companies without a sales force which are either overseasor those that prefer to provide financial assistance alone.

Car allocation is a contentious issue and decisions on allocation heavily." policy are, therefore, normally made at Board level unless the company is large enough to warrant the existence of a company car policy committee. Even then the committee will mainly consist of Board members or very senior executives, with the managing director being the final arbiter in any dispute.

Senior

accompanying table shows that it is only at senior management level and above that status is the predominant reason for car allocation. Below this level companies usually stipulate an annual business travel requirement which is commonly between 5,000 and 10,000

miles.
At director and senior management level companies are much more likely to offer It is no secret why the UK is executives a free choice of car

Of the 471 companies which if depreciation, tax, insurance helped the BIM with its and maintenance are taken into investigations, only a handful admitted that they were cur-As Mrs. Muriis points out: 'If rently acquiring imported cars. an executive moves to a job But the evidence suggests that where he will get a car for the already smaller companies, first time, the company is effective, which have shorter decision tively giving him either a tax- lines and react faster to change. free bonus of whatever he gets are buying or lessing more and

17,785 14,485

124,055 826,357 129,470 93,780 28,834

4,814 88,643

Percentage

of car sale:

23.51 13.35

18.12

16.07

EXECUTIVE CAR SALES IN EUROPE

Percentage

12.70 16.06

According to Industrial time wrangling over the car material improvement in his Market Research (IMRT), nearly half the company car market is accounted for by companies by the BIM's recent surveys provided cars. The only exceptions cars. IMR comments: "Just as the penetration of foreign car sales to private individuals has owned and have not yet adopted been high, so too the potential UK practice for their managers for foreign cars is greatest in those companies where individual preference (typically of senior executives) weighs most

> In other words the small company sector is, of all corfavourably disposed towards the foreign car. Importers can also take heart from the fact that what could be described as the tutus syndrome " re-emerge at the salesman level in many

In an analysis of the RIM report designed to help motor traders, Aplin Phillimore Associates points out that the Ford Cortina is so far the most popular fleet choice (it is seen by the market to lead the field on discounts, residual values maintenance and operation costs generally) that it has become the "recognised"

Taken from BIM's Management Survey Report "Business Cars "This is one of the influences, by M. Woodmansey, that has prompted smaller conpanies in particular to allow mainly foreign) cars. Employees the same status implications as maintaining social divisiveness the last one when it appears in and doing so in a manner that is automatically assuming that their drive for the first time.

"Even if they are not in fact obvious. It is leading to inefficient they run a 'company' car. The worried about their own status intensity," states Aplin Philliphing that they may feel that it looks as most UK citizens are taxpayers company car market in file. Siven that the strength of

to ride above the effects of pany cars.

escalating oil prices. The RIF. That might not be such a report states, for example: We bad thing. As Mrs. Muris comknow of managers who would mented (about the rapid forego a salary increase before development of the company having the type of car reduced," car market during the past four Mrs. Muris suggests that years): "Whether this is desired as smaller, less thirsty but able or whether companies maybe smaller, less thirsty but able or whether the same may be smaller.

"It is almost always difficult. A subject which has yet to get £37.50.

The reduces the size of quality of car available even where deserve."

The Conservation Society has Sector, "Industrial Market this necessary. Many managers no doubts. A recent pamphlet Research Ltd., 17 Buckingham insisted: "The company car Gate, Lendon SWIE GLN.

CAR ALLOCATION CRITERIA FOR MANAGERS (% companies)

Chairman/ s managing Board Senior Middle directors members managers manager	Junior manage
Status only 79 77 51 22	12
Salary level only 1 1 3 2	1
combination of status and salary level 7 9 15 11	
Amount of husiness travel required only 2 2 7 28	49
Amount of binsiness travel required plus 8 8 16 24	
Amount of husiness travel required plus salary level — 1 5	
Amount of business travel required plus status and salary level	10

Sample Size

product which needs, whenever Status plays such a part in possible, to be financed out of the selection of company cars, pre-taxed income, the about that the business market for face in tax policy must sarely big cars for directors is likely weaken the demand for com-

more luxuriously fitted cars will should be able, as they are in be of more interest in fining Europe and the U.S., to pay than the large impressive top salaries which allow the indimanagement car of the early vidual manager to finance a 1970s.

will wonder what has happened system is highly inequinable. It if their new car doesn't carry is probably emphasisng and

Given that the strength of and company cars affract tax company car market in the Given that the strength of relief, it can be argued that future — oil prices and the the UK business car market almost everyone in the country switch the emphasis from direct successive tax and pay policies cars. But only the middle-class (income) to indirect (VAT) have converted the car into a higher income groups actually higher income groups actually income groups are affectively among the richer members of

The same lower meome groups are also those which suffer most from the problems of being carless in a car orientated society. Facilities are becoming less easy to reach other than by ear at the same time as the means of reaching them other than by car are being withdrawn. *"Business Cors." From the

British Institute of Management

To buy or to lease

lease or to buy is primarily a financial one. And financiers ought to be able to approach it rationally, and therefore should come up with the right answer. But do they? A considerable

number produce a facile answer -based on an inadequate comrehension of the matters which should enter into their con-

Others, understanding the problem more clearly, feel like nothing so much as weeping with rage and frustration at the difficulty of achieving a totally rational solution: and weeping is understandable, because the more one contemplates the question the more like an onion It seems. Strip away one layer and one meets another tear-

jerking one beneath.

The easiest way to begin the ourney towards a solution is to think oneself into the shoes of a lessor. Leasing is primarily a financial transaction, and one therefore needs to see it in the financial terms in which the lessor sees it. This is the viewpoint shown in the table, and as follows.

CAR LEASING TAX FLOW

Rentals payment)

received or payment

(2,119)

(517)

(517)

(2,968)

(517) (517) (517)

(2,068)

(517)

(517) (517)

anticipates receiving are £4,000. The lessor is acutely aware of the cost of the funds he needs to borrow in order to carry out this transaction—he estimates that he will be paying 4 per cent per quarter, equivalent to almost exactly 17 per cent per The lessor borrows £8,000

and purchases the car. Immediately, he has done so he receives the first rental Instalment, which he uses to reduce his borrowing to £7,483. It is on this figure that he is charged interest at the end of the first This, and each succeeding quarter's interest. charge, increases the level of his borrowings, and each rental instalment enables him to reduce that level. The table is this a simple cash flow statement dealing in isolation with

But the lessor must also build into his cash flow projections the tax claims and liabilities flowing from his ownership of the asset, and from the income the explanation of that table is and expense referable to it. And as follows. We assume that the lessor prising figures. The withdrawal acquires a car costing £8,000, of the 100 per cent first-year which he is going to lease out allowances for leased cars in for a three-year term at a the Finance Bill does not quarterly rent of £517 payable in advance. At the end of that cars costing £8,000 or less as possed the lease that the suppossed that the suppossed the lease that the suppossed the suppossed that the period, the lessor intends to sell heavily as might be supposed. the car into the second-hand (Over that figure there is an

quarter

Interest

291

1,144

242 146

(125)

(1,633)

THE DECISION whether to market, and the proceeds he upper limit of £2,000 per anum lesse or to buy is primarily a anticipates receiving are £4,000. Of annual allowances.)

If our lessor were selling off whose tax value was nil because of the first-year allowance he had had, then the whole proceeds of the sale would normally be taxable. But he can set these proceeds (let us assume them to be £4,000), against the cost of the new £8,000 car now being acquired and avoid the charge to tax. Further, he can also get a 25 per cent annual allowance for tax purposes on the balance of the new car's cost. The effect of these two fac-tors is that he effectively gets tax reliefs of £5,000 on purchasing a car costing £8,000.

Compute

One can then compute the essor's tax position for each of his accounting periods during the lease term. (For convenience we have assumed that the lease commenced at the beginning of an accounting year, and that the tax payable date falls nine months later. Exactly when tax becomes payable or repayable is rate? Or is he a small company important for cash flow purat 42 per cent, or a company At the end of the lease term.

is able to accumulate this sum at interest for nine months before needing to use it to pay off his final tax liability. At this point he is shown as

having broken even on the whole transaction: and the reader may be wondering what is its relevance to his own lease/. buy decision. To answer that question we need to hypothesise that the potential lessee has calculated that if he has the use of the car concerned, he can generate exactly £2,068 of profit per annum from using it. If he leases it, he is therefore in a

position of perfect equilibrium with his profits exactly meeting his rental obligations. (His tax position is also in balance on the figures illustrated. Had the car cost more than £8,000, a past of his rentals would not be deductible under the Finance Bill pro-

If on the other hand, he buys the car, borrowing £8,000 to do so at 4 per cent per quarter, he might be able to generate exactly the same tax repayment and liability as the lessor from his ownership, and again he would be in a state of equilibrium in cash terms, since his profits exactly liquidate his borrowings.

His decision whether to lease

Rental income		(2,068)	Year 2 Year (2,608) (2,06
Interest expense Capital allowance		1,144 5,600	902 43 750 (1,75
Tex (profit) or l		4,076	(416) (3,38
Tax liability at 52 Tax (repayment)		(2,119)	208 1,75
	and the second		A SOFT TO SOFT

LESSOR'S TAX POSITION

or to buy must therefore he he can subsume the lessor's position as flustrated. For instance, given the other facts, rentals of £517 equate to borrowing costs of 4 per cent per quarter, to

such that he can obtain a repay-ment on £4,076 in year 1; and if so is 52 per cent his effective paying only advance corporation: At the end of the lease term, tax, not mainstream? What having sold the car, the lessor's would be the timing of his tax positive cash flow is £1.633. He repayment and liabilities?

And these are only the first two sets of questions. The onion has another skip beneath on which are questions about our potential purchaser's ability to" borrow the funds he would need -and whether the cost might increase or decrease in the

Once started along this path based on the extent to which of decision-making, it is difficult to know where to stop: but that is not an excuse for failing to take the path at all.

Then there are tax questions: what rate does his potential rent such that he can obtain a repay equate, and can he borrow more ment on £5,104 in year 1; and, cheaply?

Then there are tax questions: wate? Or is he a small company hoes he have taxable profits at 42 per cent, or a company paying only advance corporation would be the timing of his tax repayment and Habilities?

And these are only the first two sets of questions. The onion has another skin beneath on which are questions about our potential purchaser's ability to borrow the funds he would need in the way he would need them and whether the cost might increase or decrease in the three-year term. Below that is a layer of questions about in the way he would need them maintenance, servicing and all sorts of other things which motorists understand and financiers are reputed not to.
Once started along this deci-

three-year term.

Below that is a layer of questions about maintenance, ser where to stope but that is not vicing, and all sorts of other an excuse for failing to take the path at all.

Dervid Wainthan

MARLEY VEHICLE LEASING NUMBERY As good on the road as it is on paper

For full details of contract hire and leasing contact your nearest office: Riverhead, Sevenoaks, Kent. Tel; Sevenoaks (0732) 55255 or Lichfield Road, Bransfeld Burton-on-Trent, Staffs. Tel: Baiton-under-Needwood 2541

"I wouldn't own a fleet of company cars even if you paid me."

Jackie Stewart's shrewd, intelligent thinking steered him to many a success in his racing career. And now he uses that very same

ingenuity in the driving seat of his many business interests. So to a canny Scot like him vehicle leasing

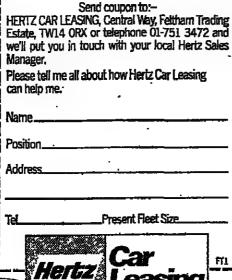
makes sound economic

Valuable capital can be released for more productive needs. There are cash flow and tax

advantages too. At Hertz our staff will tailor a lease to suit all your company requirements. Backed by buying muscle that ensures you the car of your choice at the best possible deal.

When you choose the Hertz full maintenance plan, the daily burdens of fleet management will be placed on our shoulders. With all running costs met for you at the garage of your choice.

That way you receive just one fully inclusive invoice per month,



Proceeds (4,000) 13th to 15 qtr.

Transfel Times Wednesday July 25 1979 Withfuel injection and variableweight power steering, Datsuns lavishly-equipped sporting coupé is one of the most sophisticated Japanese cars we've tested. It's certainly the best Datsun yet...



"Motor" magazine has summed it up. The new Datsun Skyline 240K Coupé is a high performance thoroughbred of superb engineering and quality.

It is undoubtedly a car to match the exacting requirements of the enthusiast driver and the motorist for whom creature comforts are a priority.

To get you going it has a 2.4 litre engine with electronic ignition and Bosch electronic fuel injection—so it's strong on performance with 127 bhp at your command.

It also has progressive power steering by ZF to automatically adjust the assistance you need, more in town, less on the open road.

For superior road holding, the Skyline has the sophistication of independent suspension on all four wheels, and for safe stopping, there's a duplicated anti-skid system with power assisted disc brakes all round. On special alloy wheels, of course.

For the transmission you have a choice -a close-ratio 5-speed gearbox or, at extra cost, Nissan's silky smooth automatic.

On the dashboard you'll find a comprehensive array of instruments from rev counter to power boost meter, and check lights for nine functions from door ajar to stop lamp monitor.

All in all, the Skyline Coupe has just about everything the enthusiast could ask for in a high performance car. And then it has a host of luxury touches—electrically operated windows that wind down completely to give you a pillarless coupé; thickly upholstered cloth seats with adjust- these items of equipment will able lumbar support for the driver; an

extremely accurate quartz digital clock; two waveband push-button radio and auto-reverse stereo cassette; and power jet will ask you to pay up to £1,040 for



headlamp washers, wash/wipe system for the rear window (heated, of course), interior release for the boot with anti-theft override, locking illuminated glovebox, vanity mirror with safety cover, tinted glass with laminated windscreen, and much,

much more. On some other performance coupés, many of cost you extra.

A lot extra.

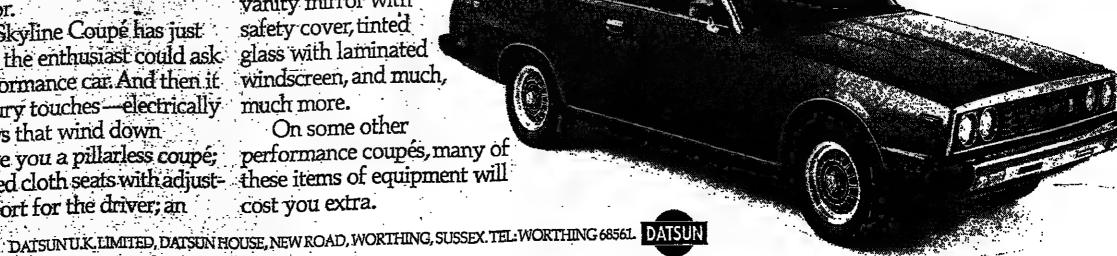
For example, other manufacturers electric windows, tinted glass, alloy wheels and headlamp cleaner—but that still doesn't give you a radio, stereo cassette, rear window wash/wipe and quite a lot more.

On other models, headlamp cleaner, power steering, alloy wheels and tinted glass will cost you up to £1,033 extra - and you're still short of electric windows, rear window wash/wipe, radio, stereo cassette and so on.

With the new Skyline, you also have the individual "plus" of Datsun's top reputation for quality and reliability, confirmed by the recent independent report that Datsun have fewer warranty claims than any other car.

The new Datsun Skyline 240K Coupé is at your dealer's showroom now, priced at just £6,761, including special car tax, V.A.T., inertia reel seat belts and door mirror.

And that's remarkable value for the most technically advanced, high performance luxury coupé that Datsun can offer!



Higher profits in luxury sector

cost in UK terms from around way had got-rich-quick. £10,000 each upwards, this is a market in which to operate-

In the current (1979) model year 10 of its 18 UK dealers will each chalk up a car sales turnover of more than £1m. Yet

through the entire network.

In Britain the luxury sector is different from the broad middle-range in that large and even middle-sized corporations do not buy many cars of this type. They are considered to be

too ostentatious. But Rolls-Royce Motors for one would argue that successful British companies should make sure their chairman or chief executive has one of its vehicles at his disposal. Rolls suggests that it is rather good for the purchasing company's image. And there is also the fact that the Rolls is likely to appreciate in price and would last a lot

longer than other vehicles.

Pleased

the peak of the luxury car market and really does not have any competitors. In fact all the other luxury car manufacturers seem very pleased that Rolls is up there on the pinacle produc-

view that Rolls is not really taking trade away from any other manufacturer. The argument is that the thought pro-cesses of the potential Rolls as others will see him when buyer go something like this. he is on the road he can't resist Should I buy another country house? Should I put a heartshaped swimming pool in the grounds of this house? Should I that actually pay for their cars buy another race-horse? Or out of taxed income from their

its customers. For example, in and are likely to become extinct This is particularly important recent years there have been now that VAT has shot up to 15 when the factory is considering

accounts for no more than 2 per bought only by pop stars, elsewhere in the UK tax structure out of ten of the big Mercedes cent of total sales in any Euro-property developers and others ture will leave the highly paid saloons sold in the U.S. have pean country. But as the cars beyond the pale who in some with more disposable income,

So the company had some highly profitable end of the research carried out by MORI and found the results somewhat particularly as most of the heartening. As the accompany- for high-priced, high-powered manufacturers are short of capacity and have not been able to meet demand for some years.

A prime example of the kind of figures which can be achieved has been supplied by Porscne. In the current (1979) model to the kind of its 18 UK dealers are short of the capacity and have not been able to meet demand for some years.

A prime example of the kind over 15 years old with various backgrounds spread throughout the UK in 236 constituencies— behind demand. Britain's being the change will be formalised.

To figure which can be achieved that the Rolls owner year 10 of its 18 UK dealers to the lieved that the Rolls owner to many or ingn-powered taking over its own UK distribution business (including the motor cycles) from Tozer Kemsley and Milbourn (Holdings) on a friendly basis and on January 1, 1980, the change will be formalised. one and was a person who loves fine cars. According to the only 1.500 cars will be going through the entire network.

The survey people are more likely to assume the Rolls owner is a to assume the Rolls owner is a successful businessman than someone in the pop-star jet-set

> In fact dealers do say that chauffeur-driven.)
> many of the customers for luxury class cars actually pay cash. Nor cheque-cash but the cash that comes in rolls of tenners. It certainly helps to be in one of those cash-over-thecounter businesses if you are trying to save £11,000 to £12,000

for a car.
The typical British customer for a luxury car is the owner of a small or medium-sized business. He decides what car the company is going to give the chairman and managing director and, as he is chairman Of course Rolls represents no argument from the rest of the board. In marketing terms the purchasing decision is made by the man who is to drive the

This explains why so many showrooms selling luxury cars ing just a few cars a year. have very large mirrors every-Some marketing men take the where. The idea is to let the prospective customer see him-self at the wheel of this grand machine, let him try it on like a buying the thing-or so the theory goes.

Private purchasers - those hould I get a Rolls?"

own deep pockets — are very high number of the Rolls itself has to worry about, few and far between in Britain and expensive cars.

the majority are company men with company cars and likely to remain that way.

But in the main, UK demand

was lucky to be able to afford cars, Jaguar Rover Triumph, could have a real winner in its Series 3 Jaguar, which is only subtly different from its predecessor. (To start with there is more headroom at the back because JRT acknowledges that many of these cars are

Contident

But a new paint plant has been playing up and so the waiting list for the new Jaguars has lengthened and lengthened. The Jaguar remains the car other luxury producers envy. For example, both Mercedes and BMW of West Germany are confident they can match the engineering attributes of the Jaguar—but not at anywhere near the price JRT charges.

Mercedes owns the company importing its cars to the UK operate a "gas-guzzling" white even so the allegations. but even so the allocation is isr below the numbers which could

Some 7,000 Mercedes a year are shipped to the UK and that figure has not changed much in to the range. The current example is the T estate car. Any have given undertakings of one sales of the estate will count against the year's allocation. The marketing men at Mercedes UK reckon they could sell

between 11,000 and 12,000 cars a year if they could get them. What makes the UK an outstanding market for both Mercedes and its West German rival BMW is that it takes a relatively bigh number of the up-market

This is particularly important

THE LUXURY car sector suggestions that its cars were per cent. Although changes model mixes. For instance, six diesel engines against only 8 per cent in Britain. That puts the UK in a vital position as far as some of the large petrol-engined models are concerned

BMW is in the process of taking over its own UK distribu-

Last year 10.506 BMW cars were sold in Britain but the allocation has been increased in 1979 so that the total should reach around 13,000. At the half-year stage the company was on target, having sold nearly 9,000. The allocation should be steadily increased and BMW estimates that by 1985 around 20,000 of its cars will be registered in Britain annually.

One noticeable trend in the UK in the past year or so has been the gradual fall in the market share of luxury cars with big engines—those with six or eight cylinders. Some people believe that the days of these big-engined cars are numbered because of the various pressures, not the least a general feeling that it is some-

Manufacturers also have to meet stringent Corporate Average Fuel Economy (CAFE) regulations in the U.S. — by far the most important export market for most of the luxury car recent times—not even when ket for most of the luxury car attractive newcomers are added makers. In France, Germany sort or another that they will improve the fuel economy of the vehicles they put on the road in the mid-1980s.

As a result, the manufac-turers have been turning their attention to how they might in future offer slightly smaller, less-thirsty cars while at the same time giving the customers the standard of luxury and equipment they demand.



Smaller cars keep spacious image

EVENTS AT petrol stations throughout the world have so far had no clear effect on new car buying patterns. So far this year, Ford, the market leader in Britain, has enjoyed unprecedented demand for its big Granada, and the Cortina-class is the biggest growth area in the new car market.

Despite this, most forecasters are predicting a change. The trend will not be seen with any distinction until later this year because July is traditionally a poor sales month and the stimulation created by the introduction of the new August registration suffix gives an arti-

It will be from September onwards that any change will be identified. Most are expecting it to be towards smaller, more economical cars. If this is the case, companies can only expect to be caught up in the cost-paring exercise of going down-

But the executive cosseted by a large luxury car need have no fear at the prospect of driving a smaller one. Most mediumsized cars, particularly at the
top end of the model ranges,
have full instrumentation, cloth
trim and carpets. They have

cigarette lighter and exterior of image-building advertising.

mirror. Many have radios as standard some offer. standard, some offer sun roofs, and most have automatic gear box options.

Citroen's re

Today's models are quiet smooth and remarkably macious. They stop very well indeed and they can be cornered quickly. Really, there is no design aspect in which they are significantly inferior to bigger models. Furthermore, they are a lot cheaper, and thanks to the events after 1973, remark. ably economical to fuel.

The only area that the driver may find more difficult to accept is one of prestige. A Fiesta is not the same as a Granada, even if it does have a Ghia badge.

Car makers have tackled the problem of giving mass produced cars a bit of class in 2-variety of ways. Some gave gone for style, some for performance, and some for luxury. And some lucky makers do not even have to try too hard—they have prestige names to carry them

Citroen's reputation was earned by a radical design philosophy that gave it a clean sheet of paper when creating each new model. To what degree this autonomy can remain within the Pengeot fold is the subject of close scrutiny whenever a new model appears; is it a Citroen, or is it a Peugeot? The new Visa is an

amalgam. amalgam.

All of these will be joined soon by one of the most respected makers in the world.

fall into this category. What it saloon car components, they is, though is a well appointed give those salous all possible saloon with old world charm extras or they make them so the advanced engine of the faster. Significantly, most are

The ones that will in pure law Honda (through its engineering excellence and motor cycle facing history) and Misshish (Coll), solidly made by a company with an aircraft building background.

pany with an aircraft building background.

All these quality mass producers have models its the small and medium inxuly sarbir most costing below the old company car hav threshold, of \$5,000. The sporting halians, alfa Romeo and Lancha have chupes as well as salona derives there is what they have their distinguishes them from the rest is difficult to say in some cases it is nothing more than a badge.

The office volume makers tackle the problem of living.

The most notable absentess without a name in three ways are the British and Japanese, they produce more distinctive BL's Triumph Dolomste should and stylish heads is, though, is

eve made vou a



oversers markets— top of the market in 100. Du no fitter than 48 models avail-

UP TO the fact our Relations of the fact o

at the National Evaluation Centre, has also proved gogular with the fresh air brigade. ESG is the worldwide distributor and a promising export is bounded for a handsome piece of provided and plans to exceed 30 next in the four years or so restored to working order, resince the enterprise really got under way the company has come to employ 25 and is ster, a five-seater with bulkhead, making about two cars a month, is frequently equipped as a mobile office for busy company up for the armed forces here and abroad, especially in Germany, and through the

The Mini was an civiled Mustane—has been followed by threet and thresh demand for most serious competitors including Jeneral Motors (Vaundament in the Motors of the Motor

Germany, and through the personal export scheme.

The ubiquitous Mini has attracted a number of convertors. Among the best known is Word and Pickett, which numbers live for the Capit, a model with the Escort and Fiesta, the Deciles around the continuers the Starting as each trimmers the correspond to the Cortina but with the Escort and Fiesta, the Deciles around the continuers the Capit, a model with the Escort and Fiesta, the Capit, a model with the Escort and Fiesta, the Capit, a model with the Escort and Fiesta, the Capit, a model with the Escort and Fiesta, the Capit, a model with the Escort and Fiesta, the Capit, a model with the Escort and Fiesta, the Capit, a model with the Escort and Fiesta, the Capit, a model with the Escort and Fiesta, the Capit, a model take-up rate is still 5.4 per cent. (At the opposite end of the scale.

The approach—planeered in the United States with the Deciled States are stated as the Deciled States with the Deciled States with the Deciled States are stated as the Deciled States with the Deciled States are stated as the Deciled Stat

of the flectionical parts can be restored to working order, relocating is necessary.

Like others, Mallalicu started because of a genuine affection making about two cars a month.

The flectionical parts can be cars. In the four years of so timeral thectors. The assimption nere, it closely, the companies also tend to favour is that if you can afford a the Dorchester, while the Minspecialist car you can afford to ster, a five-seater with bulkhead, making about two cars a month.

The assimption nere, it closely, the companies also tend to favour is that if you can afford to ster, a five-seater with bulkhead, making about two cars a month.

Peter Cartwright

every bit as well equipped as the Ghias, they have never had though the model is in 1-160 we can be supposed by the control of suppose we contain the seven or of the filles and the suppose we contain the seven or of the filles and the suppose we contain the seven or of the filles and the suppose we contain the seven of the filles and the supposed the supposed to the filles and the supposed the suppose

the years, including Humber, Sunbeam and Singer in the UK. tracted some Chevette HS finish-Another variation on the ing work to Midlands sports car add-on extras theme is the specialists Reliant. saloon car racer one. Today,

wheeled trim. rallies and races. The Escort spoilers to improve air flow.
RS, Chevette HS and Mirafori Sport are perhaps the prime

The curious thing is that the lives of first impeared on a Ford in 1874, and has been applied some and ambitive of the first impeared on a Ford in 1874, and has been applied lesson has not been learned by some other makers. BL Cars, for instance, owns the world-spicked for in rail table.

The curious thing is that the lesson has not been learned by some other makers. BL Cars, for instance, owns the world-spicked for in rail table.

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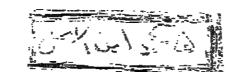
The curious thing is that the lesson has not been learned by some other makers. BL Cars, for instance, owns the world-spicked for in examples.

Ironically, these aids to perthe Ford Escort, Vauxhall formance may be pointers to the Chevette, Talbot Sunbeam, Fiat way in which cars will evolve Miraflori, Opel Kadett, Repault over the next few years. To 5 and Volkswagen Goli can be obtain more speed to win races means (among other things) lightening the vehicle and hought in more powerful, wide-The cars often have aero-improving its shape so that it dynamic aids that make them slips through the sir more look quite different from ordi- easily. These sporting saloons nary saloons and more like the use lightweight glassfibre versions that win international panels air dams and rear

> Winning also means tuning for more power. It can also be done to improve economy. Renault's use of a comparatively large engine giving lots of pulling power in a small car (the 5GTL) creates one of the most economical cars on the road

Richard Feast

The new Giulietta As with all Alfa Romeos, the Giulietta 1.6 and 1.8 are covered by the extensive AlfaPlus back-up programme. Giulietta 1.6 £4,845, Giulietta 1.8 £5,165. For your nearest dealer consult Yellow Pages. For tax-free sales, contact Alfa Romeo (GB) Limited, Edgware Road, London NW2 6LX. Telephone: 01-450 8641. *Manufacturer's performance figures: Prices correct at time of going to press.





The Rover 3500-on which senior managers set their sights

A suitable place for thinking

THE EXECUTIVE car has its

however, an executive car has to provide a suitable environment in which a manager can think constructively while he drives-or, at the highest levels, is driven. That means it must be especially the 2.8 litre models quiet and have a really comfortable driving seat. Any 40,000 miles a year man will tell you that if those two requirements less of price. are met, nothing else really matters—assuming that reliability can be taken for granted.

must also be a proper fourseater with four doors because no two-door car of my experi-ence permits dignified entry and there was no longer any real exit for rear seat passengers. need for it. Power steering and automatic transmission are near-essential items for most executive car buyers. Air conditioning is

models now on sale in Britain speaking hatchbacks.

Alfa Romeo's Glulietta and Alfetta are for the younger The Mercedes range encom- are always more considerate. A buyer. The big V6 saloon due passes every level of executive cynic might say the others keep

The Audi 100, with its unique roomy interior with the performance one expects of a car with much more than 2.1 litres cylinder capacity. The BMW. If you canont afford a BMW with its range of 5-series and or a Mercedes, the Opel Senator 7-series four-door saloons, is German car with

Citroëns are one of France's contenders, with their self-levelling ride, speed-related power steering and space-age virtually identical, except that it has a 2.8 litre carburetted engine. interior and exterior styling.
The fuel-injected GTi is not
only the fastest but also the
smoothest running of the CX Citroëns. For the energy conservationist (or the man who does not like paying big fuel bills) the CX diesel is a logical

Daimlers (and this goes for Jaguars, too, because they are in the autumn, points the way mechanically identical) have executive cars must go in future. the style of luxury even though they are volume-produced in fair quantities. The recently introduced Mk. III models have a number of small but useful improvements—a larger screen and more rear seat headroom

prices, and the potential future fuel

common knowledge that fast driving

gobbles up fuel, and cruising speeds

It's also accepted that consistent.

shortage, everyone has a fuel

the most from your petrol. It's

in the 60 to 80 m.p.h. range can

accurate control of the accelerator

economy driving techniques.

pedal is the fundamental basis of all

Econocruise Electronic Speed

Control puts these facts to work

The smaller American-made admirable car. The 30TX, with own hierarchy. If you are on the cars are not without their attract a five-speed gearbox or auto-first rungs of the management tions and are perhaps at their matic transmission, is a high ladder, yours is likely to be a best on motorways. Cadillac's Cortina Chia or a Lancia Beta Seville. laden with electronic 2000. Senior managers set their gadgetry comes in with right-2000. Senior managers set their gadgetry comes in with right-sights on Rover 3500s, Audi hand drive at the kind of price 100s, perhaps a Citroën CX2400 you would expect to pay for a or a Peugeot 604. Only the Jaguar XJ12. Slightly smaller or a Peugeot 604. Only the Jaguar XJ12. Slightly smaller biggest guns can aspire nowathough very much in the same days to a Rolls-Royce Shadow II diom are two Japanese cars, or even a V12 Vanden Plas the Datsun 280C and Toyota Crown 2600.

Ford's entries in the executive stakes are the Granada and Cortina 2300s. The latter shares the Granada's V6 engine but lacks its independent rear suspension. The Granadas, and with fuel injection and ultra low profile tyres, are among Europe's best big cars, regard-

Jaguars continue to epitomise everything a good executive car should be. The V12 engine By definition an executive car survived the first oil crisis, but will it survive this one? Magnificent machine though it is, it

Pleasant

Lancia's Beta has an engine similar to the Fiat 132/2000 but Within those parameters, not its power steering. It is what is the choice? It is sur- a pleasant car, though, with a prisingly wide. Upwards of 80 nice five-speed gearbox and more than adequate performqualify to be called executive ance. The bigger Gamma, with saloons, even if some are strictly a flat four cylinder of 2½ litres capacity, is a roomy car for the as responsibilities. When I drive

here later this year will have purchase. The 200 just scrapes, their distance because they the power steering and auto- into the top end of the "junior" think a man in a Rolls is rich matic transmission the smaller class, and the 450 SEL 6.9 is on enough to make trouble if his cars lack and will appeal to a par with a Rolls. What is it car is scratched—and the insursenior men whose taste is still that makes the Mercedes so sporting. that makes the Mercedes so appealing? It is not conventional luxury, though all Mer- tribute to a British car that may five-cylinder engine, combines a cedes are comfortable enough. Rather it is an assurance of top quality engineering, of reli-ability; and regard for safety.

If you canont afford a BMW is a more than adequate substi-tute. This 3-litre fuel injected saloon is one of the best cars in its class. The Vauxhall Royale is virtually identical, except that

Peugeot's 504 TI, with power steering and fuel injection, is one of the better buys at the moment because its replacement, the 505, has appeared in France. The 505 comes to Britain later this year; the 604, carburetted or fuel injected, is big, quiet and rides as well as a Jaguar. A turbo-diesel version, due here

Renault put the old R16 engine and the newer "co-operative" two-litre and V8 in the same shell to make the R20TL, R20TS and R30TS and TX. This five-door, five-seat batchback has an excellent ride among them. Daimler/Jaguar and the 20TS, with standard air conditioning is the best you power steering, electric windows will find outside a Rolls-Royce. and centralised locking, is an

Econocruise Electronic Throttle

constant speed that you select

above 25 m.p.h. On long journeys

there is a bonus of driver comfort

economically and consistently within

With Fuel getting scarcer by the

day. Econocruise could enable you

to complete your journey with fuel

ECONOCRUISE

180 Wood Street, Rugby CV21 2NP

the speed limit, protecting your

Control will drive your car

Diesels still doubted

THE TIME is long past when the only diesel cars were taxis. Britain is a late convert to the idea that they can be a worthwhile and civilised means of transport; it could be argued that our market is still not con-

Importers selling diesel cars in Britain find volumes depressingly small, and concentrated mainly in rural areas (which leads to the unworthy thought that farmers are tempted to run them on untaxed tractor fuel).

In most cases, the importers are selling far too few cars to cover their indirect costs, spares stocks and dealer staff-training courses. They regard their efforts as an investment against the time when the diesel car market blossoms.

For a long time, Britain's attitude to the diesel car was influenced by her unique posi-tion as the only country in which diesel fuel was significantly more expensive than four-star petrol. This was the result of a piece of budgetary mismanagement which has since heen put right: Sir Geoffrey Howe's first budget put 7p on a gallon of petrol, and practically nothing on diesel.

Yet it should not be thought that cost alone has been the factor which has decided the British motorist against the diesel. In West Germany diesel oil and 98-octane petrol cost about the same, yet there are tens of thousands of privately-owned diesel cars on the roads. The German secret is not cost, but Mercedes-Benz.

Mercedes, and Peugeot in France, were for many years the only serious developers of diesel-powered_cars in Europe, if not the world. There was always a steady taxl market for them, but the purely private sector grew steadily as people came to appreciate the extra economy of the diesel and to discount its limited perform-

In Germany at least, recognition of the fact that the diesel's exhaust is actually cleaner than that of most petrol engines (less unburned hydrocarbon and carbon monoxide) also played a part. As Mercedes' sales in Gerpower steering is optional on the four-cylinder cars, standard on the sixes. Automatic transmany grew, the other manufacturers in that country drew up their own plans. Opel announced a diesel Rekord; Volkswagen created a sensation with its diesel Golf, followed by a similarly-powered version of the bigger Passat.

> Ford, seeing the danger of being left out, bought the Peugeot 2.1-litre diesel engine and installed it in the Granada. Rumour strongly has it that even sportingly-inclined BMW is its cars.

This enthusiasm for dieselpowered cars in Germany contion here in Britain, where not one home-produced diesel car is offered on the market (Ford imports a trickle of Granada Stuart Marshall the home manufacturers failed

Peugeot's 604D is powered by a turbo-charged 2.3 litre diesel engine to see any demand, or have they failed to stimulate it?

The evidence of Germany. and indeed of France, is that market and manufacturer interest feed off each other, once the spiral has been set in motion. In Britain, the spiral has yet to be given that first nudge upwards.

We are actually worse off than 20 years ago, when both BMC and Rootes offered diesel versions of their mid-range saloons; yet we still have in Perkins one of the foremost builders of small diesel engines in the world.

Nor is it that Britain does not need more diesel vehicles. We still export a net surplus of diesel oil from our refinerles, exchanging it for petrol because our national vehicle fieet is far from the optimum "split" of petrol and diesel from each barrel of crude oil.

Kattle

There may well be a lingering suspicion in the minds of many drivers that diesel cars are noisy, smelly and slow. It is an attitude now several years out of date. The only noise which the manufacturers have falled so far to overcome, itseems, is the characteristic

systems have made the latest

least to the point where a charged 2.3-litre diesel. basic Mini no longer presents

match: now acceleration is in the same class as, say, the Allegro or Escort 1300 while maximum speed is probably

As for the fuel consumption, there is no denying the superi-ority of the diesel, though the gap between it and the petrolengined car tends to diminish during motorway cruising. Even so, at 70 mph there is sufficient advantage in economy to give the diesel car another endearing feature: exireme range. Since most diesel cars have the same capacity fuel lanks as their petrol counterparts, most of them can be relied on to run 400 miles or more between fill-

What of the cars available? Mercedes and Peugeot still heaf the list in terms of the number of models offered Even diesel saloons—the 200D, the 240D and the reconcelly fascinating five-cylinder 300D. There is also a 240TD version of its newly-launched T-series estate car. In Gormany the Mercedes range is wider, while in the U.S. the company offers the 300D with turbocharging added. boosting the performance to the point where the car is more than capable of holding its own with American-style traffic.

Peugeot's staple diesel has rattle after a cold start. Start- long been the 502D, which was ing and stopping the engine is given a new lease of life two

dicsel cars much more like is the 305D, a 1.5-litre medium-never really caught up with the rest of the world feel that the petrol cars to drive, with none sized saloon which will commarket, and the same 1.5-litre diesel engine offers a way of of the lag which in older cars pete strongly with Volkswagen's engine has now been installed making the best use of our could lead to jerky progress in Golf D. Yet to arrive here is in the bigger Passat. the hands of the inexperienced the big 604D, in which the big river. saloon's 2.7-litre V6 petrol Performance has improved at engine is replaced by a turbo-

This is an interesting appli- the 244 saloon; Velyo has no

to achieve satisfactory performance with a basically under-powered engine, rather than to seek exceptional performance from an already capable power unit. The turbocharger,

familiar enough to many truck drivers, consists of a turbine driven by exhaust gases and in turn driving a compressor in Britain, Mercedes lists three which supercharges the engine,

Appeal

It is an appealing "something for nothing" concept which, in the words of one

Citroen itself, now of course Peugeot's partners in the PSA group, makes a diesel version of its big and smoothly aerodynamic CX saloon. With a 2.5litre engine, and now a five-speed gearbox, the CX has a almost 100 mph combined with law (as most Californian emis-very good economy. Both sion rules have been) it could Citroen and Peugeot also offer not only lay waste General diesel versions of their big estate cars, the CX and 504 Familiales. The real sensation of the

diesel world in the past three ing and stopping the engine is now done entirely with the "ignition" key.

Cold starting involves waiting a few seconds for the cylinder glow-plugs to warm up, nothing more. Changes in control given a new lease of life two years has been voikswageus years ago when it received a Golf D, now generally accepted new 2.3-litre engine (freeing as being the least diesel-feeling the old 2.1-litre unit for Ford's diesel yet produced, and cap the seconds for the cylinder use). Now there are diesel able of bettering 50 mpg in models both above and below almost any circumstances.

Demand for it in the U.S. has Recently released in Britain been such that production has At the same time, Volks-

wagen has started supplying six-cylinder diesels to Volvo in Sweden for use in a version of

cation, for it is the first time current plans to offer this car a turbocharger has been fitted in Britain

Opel is content to sell a trickle of Rekord D saloons and estates in Britain. The company recently paralleled Peugeot in raising the capacity of its four-cylinder engine to 23 litres in search of better performance.

Other diesel cars not yet seen in Britain include Flat's versions of the 131 and 132, with four and six cylinders respectively, and the desels made in Japan by Toyota and Nissan and almed mainly at taxi service in Japan and the Third World:

Chrysler makes a diese senior Citroen engineer, "could version of its medican sized 180 make the diesel engine the most in Spain;" and in the U.S. efficient practical power unit General Motors has embarked we can foresee in this country." on a big development programme for car diesel summes of various sizes.

Almost inevitably, the state of California is now proposing a limit on exhaust "particulateemissions," for 1981 which will earbox, the CX has a all but outlaw the diesel, if it is maximum speed of eventually adopted as federal not only lay waste General Motors plans, but also destroy any hope for companies such as Mercedes of reaching the level of actionny demanded by the forthcoming CAFE (Co porate Average Fuel Economy): regulations upder which all cars sold by a methifacturer in the U.S. must meet an mpg target averaged over the fleet.

While the Americans play cat this way many engineers in the remaining fossil fuel reserves: One hopes that Britain's appearance of masterly inactivity is merely outward, and misleading.

Jeff Daniels

Sports cars built for comfort now

TIME WAS when a sports car meant just one thing—an open-top, 100-mph two-seater with few creature comforts and rockhard suspension.

performance version. The Renault 18TS comes similarly

equipped though lower down

the price scale, and competes with BL Cars' Princess, recently

revamped as a Mk II and much the better for it. The Princess, with traditional though stylish

interiors, is now fulfilling its

2600 and 3500-are ideal execu-

tive transport and have been

deservedly successful, especially

in the past year when supply has been freer than before. The

3500 with five-speed manual

gearbox is capable of remark-

able economy, given sensitive

The Saab 99 is an executive

ear with a difference, especially

the Turbo version, which ex-ploits the otherwise wasted

energy in exhaust gas to boost power when needed. Its top gear

acceleration is like that of a car

with a three-litre engine; its

fuel economy is that of a two-

little external change from year

to year but have improved. The

mission is available on them all.

tinue to occupy a special niche

in the executive car market. Even today, driving a Rolls-

Royce confers privileges as well

a Rolls I find other road users

are always more considerate. A

ance claim would be heavy. I

like to think it is an implied

or may not be the best in the

world but unquestionably has a

higher status than any other.

Bentley and Rolls-Royce con-

Rover's SD1 models—the 2300.

early promise

There are still a few around like that even now. The un-changing Morgan is the epitome of the way it used to be, and the little Malvern company is doing good business producing sports cars just as it has for decades.

Even though Morgan has some modern imitators, the fact is that sports cars, in the purist sense, are fading. Those Triumph TR2s, Austin-Healeys and MGAs, with minimal road-holding and brakes, have thank-

fully gone.

Again, while the ancient

MGB seems to go on for ever, the MG Midget is expected to ear soon. That leaves cars like the Triumph disappear soon. TR7 and Spitfire, which are no faster than many modern saloons. They are regarded as soft because they are not the he-men's cars that sports cars once were. They are better weather-proofed, have more equipment, ride more comfortably and are definitely not as twitchy to drive.

Nowadays, most people regard anything low and slinky as a sports car. But as Mr. Bobby Bell, of Surrey sports car specialists Bell and Colvill, explains: "A sports car is really a two-seater. Now you might say that a Lotus is a sports car, Lotus would disagree. What they are making are touring

and GT cars."

The traditional sports car concept is changing because of financial pressures and safety legislation largely emanating from that great consumer country the U.S. It is such a vital export market for companies as diverse as Japan's Nissan, BL's Jaguar Rover Triumph and Germany's Porsche that what happens there has echoes all around the world. There, the demand is for



American safety regulations to the mass-produced models of the older types of car. Morgans Italians, who have a passion for which caused Porsche to develop, at enormous cost, their Targa-type roll-over bar, for

It is also for a softer and more luxurious approach to car design, even if they are sports cars or GTs. Ferrari now offers automatic transmission (a General Motors unit) on one of its models—something that ditioning. would have been untinkable a few years ago.

The result is that the demand for something distinctive is now also being met by makers who were not previously in the market with cars that are (very good) coupe versions of saloons. Even today, with more or less blanket speed limits. these cars are as fast as their predecessors. Furthermore, their superior road holding and braking make them a lot safer.

Government-type approval requires a great deal of money. A big manufacturer can spread the costs across large sales, but for a low volume maker it im-There, the demand is for for a low volume maker it iminto a "sports" car.

appetite over there has been they are shortly to be joined
more miles per gallon, fewer poses an even greater price. At the same time, safety, assuaged.

by the Mazda RX7. It is the car
exhaust emissions and more burden. Hence they become emission and consumption. British dominance is only in which Toyo Rogyo have
passive safety features. It was even more expensive in relation nooses begin to tighten around really threatened by the pinned all their rotary engine

their rivals.

electrically operated window

Outcome

A typical illustration is the Jaguar XJS. While production began soon after the end of the Jaguar E-type, it was not a replacement as such. It had so Midget. They, and their pre-much luxury trim that it repre- decessors, have dominated the sented a complete change of market for years. None costs direction. more than £5,000, which means direction.

a modern performance car has people's introduction to cheap of GT cars up to the 10,000 to be aimed at as large an open air motoring. The TR7, it mark. They embrace specialist audience as possible. That is true, is a closed car, but a low output products like TVR means more mass production drophead has been introduced and Reliant as well as the and all the marketing tricks that in the U.S. and will eventually highest selling sports car in

have long gone from the shores fast cars. Perhaps the most of the U.S., though the demand serious challenger is the relaeffectively compete at the elsewhere does not seem to have tively recent Flat £1/9. It is a cheaper end of the market, it is abated. Companies like Aston mid-engined car styled by Beronly natural that he will move Martin, Ferrari and Maserati tone to look like a miniup-market, where pricing is less cannot possibly meet the pro- Ferrari in itself a Fiat composed American CAFE fuel company—and, say the enthusiasis, must have all the gadgets like sumption requirements with is the car the TR7 should have their existing cars. There will always be a delifts, power steering and air con-

mand for these hand-built cars, of course, but they are not immune to the broader trends.

British sports cars made by Jaguar Rover Triumph are the The overall outcome is that they have been many young

- bêen. -Then there is a wide range of

coupe and spyder (open) ver-sions of the Lancia Beta and CT version of the Alfa-Romeo Alfasud and Alferta. Other contenders must be the Volks-Jaguar Rover Triumph are the market leaders at the lower wagen Scirocco and Honda Pre-end. Their offerings comprise lude: But all have so muchthe TR7, Spitfire, MGB and MG more accommodation than their nearest equivalents, the tradi-tional MGB and relatively new TR7, that many do not regard them as sports cars. There is only a smattering

and all the marketing tricks that turn the ordinary-looking saloon into a "sports" car.

At the same time, safety, assuaged.

At the same time, safety, assuaged.

At the same time, safety, assuaged.

In the U.S. and will eventually, assuages, seeing sports car in the time, safety, as the U.S. and will eventually, assuages, a

faith, all other car makes having abandoned the Wankel. ing abandoned the Wankel.

Equally, the market embraces coupe versions of salcons like the Ford Capri V8, Opel Monza/Vauxhail Royale and Lancia Gamma Should it not also include the Saab Turbo? It may be salcon in shape, but it has a performance to match many a sports and GT car.

Above this price only two many a sports and GT car.

Above this price, only two patterns emerge. One is exemplified by the osfentations semi-racing projectiles as seen in the AC, and some Lotus, Ferrari, Mascrati and Porsche models. In a similar category are Panther's Jaguar and Bugatti replicas.

The other is the conservative restrained styling of companies like Daimler-Benz, EMW and for certain Ferraris and

and for certain Ferraris and Maseratis. Which of these one chooses says a great deal about the type of person one is.

Ceitainly there is so little pattern to pricing that one wonders whether makers are simply trying to establish what the marker will stand. Prices appears to be infinitely less critical appears are critical even over a broad range, to the owner of a small private company a typical owner here than to the bybble hat brigade in the lower price scale.

Makers with tamous names

Makers with famous names seem to show few worries about the prospects of tighter fuel supplies. "I don't want to create a false optimism about sales, but we see no abatement in demand." Our modest six cars a week will be bought for as far ahead as we can see." explains Aston Martin managing director Mr. Alan Curtis. A picture of optimism exists in the garage trade too. There is no real sign of a stackening in demand for expensive luxury cars so fat. Where the difficulty may emerge is with the trade in wehicle. The secondtrade in which. The second-hand market is drying up quickly and few traders are buying for stock. It can only depress trade in prices and that may ultimately affect new sales.

Auto/Manual,

How to squeeze

the last mile

from every £1+gallon

economy problem. You've got to get automatically and exactly, at any

increase consumption by 15 to 20%, Econocruise helps you to drive

Big demand for fourwheel-drive vehicles

be gained by the performance of Eand Rover, the BL offshoot of hand Rover, the BL offshoot which dominates the British market in this sector. The group had never sold so many Land-Rovers and Range Rovers in British In such a short time—yet its market share had dropped to the lowest ever point.

Demand had been stimulated in two ways: the appalling weather and road conditions early this year and the fact that newcomers to the market were going out and selling aggres-

Perhaps the most aggressive has been TKM Vehicle Services (UK) a subsidiary of Tozer Kemsley and Milibourn (Holdings), the international finance and trading group. This company began UK marketing of Daihatsu four-wheel-drive vehicles from Japan and Jeeps from the U.S. late in 1977. The idea is that between them the smaller Daihaisus and the big Jeeps provide a complete range Competition of go-anywhere vehicles.

In the first full year of operation TKM captured 15 per cent of the market and this year hopes to push this up to 20 per cent to take its turnover from £10m to around £15m. TKM Vehicle Services provides one way for the parent group to keep a firm toothold in the car. market after it loses the BMW franchise next year when the West German car group will take over its own distribution in

Supplies of Dathatsus, are 1979. restrained by the Japanese manufacturers policy of taking a "prudent" view of the UK market and not disturbing it

The same constraint applies smaller than the Land-Rover. Mr. Eric Sykes, managing to the importer of the Subaru in the UK. At the same time director of Tudor Vehicle Importer Subaru DK, hoped to troduced a light van and a pick could jump to around 11,000 in

OW

THE UK market for four-wheel-import and sell 4,000 cars in drive cars had never been so the first full year of operation—buyont or so competitive as in 1878—but this was out back the first five months of this drastically and just over 1,500 the first five months of this drastically and just over 1,500 the first five months of this drastically and just over 1,500 the first five months of this drastically and just over 1,500 the company of the number of some years to come."

Then came the oil supply were registered. Ambitious small for some years to come."

The company, Suzuki (GB) Cars is ultimately owned by Mr. Cars is ultimately owned by Mr. Cars is ultimately owned by Mr. Gerald Rouson's Heron Corporation through its Herondrian at the end of May can sell 4,000 cars in up truck and it reckons that it 1979 (it was on target at just will sell about 1,500 in total this under 5,000 at the cad of May year "and we expect the allocation from Japan to remain increase substantially the number of Land-Rovers and Range Cars is ultimately owned by Mr. Gerald Rouson's Heron Corporation through its Herondrian at the company of 1879 Substantially the number to around the first half-poration through its Herondrian through the cars in the case of the cars in the case of the cars in the case of the case year of 1979 Subaru sold 1,652, Subaru UK is owned by Britcar, which also swns the rump of the former Jensen company, called Jensen Parts and Service. The idea is that the Subaru business can be built

up as the Jensen operations are progressively run down. There have been four further new arrivals on the UK four-wheel drive scene this year. One is a Portuguese company which lost its Land-Rover franchise in 1973 and is now manufacturing a direct rival called the Portaro Pampas, it is pro-duced by Sociada Electro-mechanica de Automotives (SEMAL) and marketed in Britain by Land Car Concesspecially set up for the purpose. Some 25 distributors have been appointed. They expect to sell around 750 vehicles in the UK

Many of the mechanical parts for the Pampas are supplied from Romania and by coin-cidence the supplier, ARO, has also found a direct outlet in the UK this year via Tudor Vehicle Imports. Both the Pampas and the ARO Ranger compete directly with the Land-Rover. Tudor Imports expects to be able to sell 3,250 a year of its Romanian four-wheel-drive vehicles. Tudor hopes to have four-wheel-drive around 65 dealers by the end of

third newcomer is another Japanese concern -This company is better too much by sending in too it is now offering two versions of the 7,500 vehicles sold last many vehicles.

The same constraint applies smaller than the Land-Rover. Mr. Eric Sykes, managing

Suzuki subsidiary, the motor cycle importer. Heron-Suzuki sells about 40,000 to 50,000 motor cycles a year, giving it a £30m annual turnover, thus pro-viding a useful base for the developing cars and commer-

Then the Lada Niva from the USSR eventually went on sale in the UK in the spring, in right-hand-drive version only but once again the importer complaining that he could get enough to satisfy

The Niva is an original Russian design and comes out of the plant at Togliatti where the Fiat-inspired Ladas originate. The importer is Satra Motors, a subsidiary of an American concern, and Satra says it will sell about 2,000 Nivas in the UK this year—pre-publicity before the British launch meant that a considerable number of that a considerable number of orders had been placed before the vehicles actually arrived.

All this activity has been stimulated by the fact that BL's Land-Rover offshoot has been leaving the market short of four-wheel-drive vehicles—and, as they say, nature abhores a

Mr. Christopher Tennant, managing director of TKM Vehicle Services (UK), the Jeep and Daihatsu importer, bolieves that nobody can tell how big the UK market for fourwheel-drive vehicles really is because demand has never been met.

In the peak year, 1973, some 17,000 four-wheel-drive vehicles were registered, all of them known for its motor cycles but from BL BL accounted for 6,500

drive output. Some £280m is going towards doubling production of Land-Rovers and Range motor cycles a year, giving it a Rovers to 75,000 and 24,000 a 20 per cent market share and a year respectively. But this pro-£30m annual turnover, thus prountil 1982. And BL surely went to keep the export content at the current 80 per cent level. So far most of the imported

competition has aimed at the Land-Rover sector of the market. Next year the Range Rover's rival seems likely to turn up in the UK by courtesy of Mercedes. Full production of the four-wheel-drive "G" (for Gelaendewagen) range, developed at the cost of £27m by Daimler-Benz (Mercedes) and Steyr-Daimler-Puch of Austria began earlier this year and marketing began in Continental Europe in June. Output will be a relatively modest 9,000 in the first year and then 11,000

a year.
The question which will not he answered for some months is what impact the steep rise in fuel prices will have on the four-wheel-drive market.

At the executive end of the sector, in particular, the vehicles are not exactly frugal users of fuel, while at the same time are bought by people who are not particularly concerned about the cross-country cap-ability four-wheel-drive implies. For example, it is estimated that Range Rover owners spend only one-tenth of their driving time off the road. A typical comment came from the man who said: "The only time the average Range Rover leaves the road is to drive on to the grees

at a point-to-point."
Significantly, however, Take
Vehicle Services has not revised downward its estimates about he number of Jeeps it can sell in 1979 and is sticking to on earlier forecast of 1,020.



winter forms, for open air use or with a rigid roof

The lure of the exotic

JUST READING the specifica- Volante, a new convertible vertion of a limited edition carif that is not too vulgar a Lagonda, of whi phrase to describe these elegant is being made. powertul machinery-makes some people drooi. It is so easy to imagine insouelance, slipping behind the steering wheel, turning the ignition key and blasting off into a world where other people's most frequent view of

you is a vanishing rear number

Sometimes, it has been whispered, not even wives and girl-friends itspire so much attention, though unlike attached to rugger and cricket fantics the are unlikely ever to become grass widows. In-deed, weigen are increasingly helping the male to choose the car of his distres-and not just to head off a choice between

The purveyor of this information is it. Juan Curds, managdirector of Aston Martin Lagonda, who more than most other executives in his class stems to hap his eyes on the stratures distantin makes four inodels; the Vantage, a twodoor Welson and i's higher perfermance version;

sion of the saloon; and the Lagonda, of which one a week

He gave me a profile of the average buyer of an Aston Biartin. "He is agod 45-55, with two children, runs his own bustness, finds a Rolls too ostenta-tious, a Ferrari too flamboyant, and buys an Aston because it is conservatively British and all that's contained in the best meaning of the word."

And the Lagonda? "Well, with all of the models we have noticed in the last 18 months that wives are taking a much more active interest in the purchase. It's no longer a menonly situation. And a growing percentage of girls in their 20s and 30s are buring Astons— those who are coing well at acting, modelling, all the professions, you could say." All the professions? . . . "Well, deprofessions? . . . "Well, definitely I would include advertising and PR " said Mr. Curtis.

The Lagonda is one of the open air or rigid root use, most recent emressions of the Of course the diddy of them British art, though now it is all is the Rolls-Roote. This car

processor which used to return the driver's seat to its original attitude, tell the average fuel consumption and so on. The price is nearly £40,000 but if you can get hold of one it is nearly to the price in the price possible to sell it at nearly double this. Most are going to ruling families in the Middle

East, so it's hard to compete.

Another British marque in

the same idiom is the Bristol, which grew out of the Bristol Aeroplane Company and reflects the strong influence of its chairman, Mr. Anthony Crook, who was both a pilot and a racing driver. It is one of a declining breed that employ a separate steel chassis and aluminium alloy panelling. It has a high performance six-litre engine, and it is a particular claim that either of the two models produced will suit itself to the mood and needs of the driver, whether hurrying or just drifting through the countryside. The 603/52 is a saloon and the 412/S2 a convertible in the true sense, since the upper structure can be changed for summer and winter to provide

the minus a troublesome micro- is too big to be unobtrasive, yet

It carries the dignified aura of Heads of State and the world of diplomacy. Mind you, at the other end of the scale, far away from the Kensington embassies Rolls are to be seen parked in such purlieus as the tangled metal or the yard of a scrap merchant—as evidence that he has made the score.

In the Rolls-Royce range the Silver Shadow II at around £35,000 is run-of-the-mill stuff compared with what can be done by their craftsmen. Never mind the walnut or maple cap pings, the Wilton carpeting and fine silk trappings, with tele-phone, radio, TV, everything as ordered, and costing up to £75,000. What about a Phantom VI, of which no two are the same and only about 20 a year This is the kind of office-cum-fortress that Heads of State are apt to variety costs nearly £200,000.

This is a world where manufacturers vie with each other in coining descriptive figures and words to set their vehicles apart and trigger the imagination and the financial taste buds—the Porsche 928 (A), the Jaguar XJS, "Turbo", "GT". Get into a Porsche Turbo 3.3 litre, put your foot down on the doubts as to what turbo means will be speedily removed.

Names can be even more evocative, like the Maserati Khamsin, the De Tomaso Pantera GTS, Lamborghini and Lotus. Some of these have been evolved through racing and occupy a special niche in the hierarchy of exotica, with British Lotus very much there. Those who move in these circles do not have to identify the manufacturer-Esprit, Lyalami, 450 SLC is enough. Esoteric world it may be but it pays off in hard cash.

Lotus is an outstanding case in point, and British to boot. In the first six months of this year it notched up 460 registrations, as many as in the whole of 1977. Of the 460, some 150 were midengined top of the range Esprits, and the remainder were executive-type cars of which a majority were bought by companies or professional people. This reflects in part the sharp growth in leasing.

Recently Lotus acquired U.S. operation and is busily building up four distributors into a national organisation. It plans to improve on its current 40 per cent shipments of total production to professional men

and individual executives.

One thing is clear—the demand for individuality has seldom been stronger. The waiting lists for Rolls and Mercedes, for Porsches and Maseratis, Lotuses and Bristols are ample evidence of that.

Feter Cartwright

OMOUNT hatchbac

Last year, the Renault 20TS was voted What Car's' top car.

Not only winning convincingly in its own class, but out-pointing over 100 standard production models from other categories.

It wasn't a flash in the pan.

Because in their May issue, 'Car' magazine had this to say after putting the 20TS through its paces against

the two litre Saab and Audi. Our favourite is the Renault.

If you accept that cars are made

to go and that it is the quality of the going which is important in the end, then the Renault must win.

It has the most performance, the best handling and a ride which is not only the best in this field but just about as good as any car you can name.

Not to forget one of the world's great steering systems.

It is also a very complete and wellequipped car..."

Those are 'Car' magazine's words, you understand, not ours.

> We wouldn't want to be accused of the back.



ieco1

Riding in comfort...

seat covers and furry dice do sents £65.44p per head. not appear to figure in the acces- In the development of this in the last seven years and now sories to be enjoyed by the rapidly growing market "an in- total around 4,100, but they are Mayor of the London Borough creasing number of motorists under pressure from other outof Brent in her new £38,500 have become concerned with lets. There are 9,500 new Daimler. But her tours of duty embellishing and adding acces- vehicle dealers, of whom some a cocktail cabinet, colour TV, as spending more time cleaning shop. Among the 11,500 motor ing. It seems a little surprising presentable." The practice of shop, and of course the 60 per that there are no curtains, since "customising" cars seems to be cent of petrol stations which the car is said to have been increasingly popular with young have shops offer a very wide originally ordered by an Arab. men, and the range of goods has range. Presumably electrically oper-risen in tune with demand. New supermarkets and hypermarkets ated windows, an in-car enter- products include car dec- account for some 14 per cent tainment system plus other small comforts come as stan-

A Rolls-Royce, of course, comes fully equipped but the company will neet a customer's ment parts bought by DIY the aftermarket—in 1977 it was particular request—if it is posmotorists in 1978 amounted to sible. At Jack Barclay it is not surknown for a refrigerator to be sories reaching fixed and replace the aftermarket—in 1977 it was estimated that they accounted for 25 per cent-30 per cent of the DIY trade. Major customers the DIY trade. Major customers unknown for a refrigerator to be ordered, possibly silk furnishings or initials or a monogram to a door. An anti-theft alarm fitted to a mascot would cost about £130.

Further down the executive scale, the range of accessories includes powered glass, pop-up and soft too roofs, wheels, trim, steering wheel covers, radios per cent of the market and and cassettes and many smaller £95m in value terms. Radios, items. Cartrend's Huggy Bearluminious fur fabric — seat and fog and spot lights top the covers sell around 500,000 a list. "Comfort and vanity" year and the company has pre-dicted a 45 per cent increase over 1978.

Concerned

Some of the latest figures on this fragmented market were produced at a seminar sponsored by the Society of Motor Manufacturers and Traders and the magazine Auto Accessory dustrial Market Research, in his look at the UK "automotive after-market" in 1978 estimated that Britain's motorists spent £817m on replacement parts, accessories, mainten-ance and repair equipment fitting and using on their own vehicles. "A more detailed breakdown revealed wat as many as 66 per cent of ail owners actually lifted the bonnet to perform some type of accessories and car care pro-

writing desks and air condition- them and making them more repair garages, 5,100 have a cleaners-all launched in the area which they are expanding. last few years.

being maintenance and repair and service stations and garages equipment at £93m and car (6 per cent).

Among accessories electrical Giants Items and in-car entertainment are reckoned to account for 42.8 tape players, combined units items represented £75m or 33.8 per cent of the total. Here the leaders are seat covers, road wheels and car seats. In retail distribution terms

the accessory shops are the most comer important source for the DIY men—£263m or 32 per cent of the market. The greater share is held by the independent shops—£139m—with the other £124m going to chain or multiple stores. Sales through garage stores are estimated at £243m, with parts shops, mail order, department stores and Keynes. supermarkets mopping up the rest. Accessory shops, reasonably enough, seem to have most of the sales of accessories £78m. Mail order sales are said to be primarily of in-car entertainment equipment. Car care products are also mainly sold through accessory shops—to the tune of £20m.

tiple) have doubled in numbers value of some £9m.

Department stores, dorants, strip and upholstery of car care product sales, an

Cash and carry outfits have IMR reckons that replace made a considerable impact on sories reaching £222m and at these outlets are multiples representing 27.2 per cent of (20 per cent), hypermarkets the market, the other sectors and superstores (12 per cent)

The supermarket giants are moving in on the accessories side at quite a rate. International Stores sells a restricted range. Presto Discount Stores has sections in all the branches in the first phase of its expanprogramme and it has plans for opening up in the southern counties. House of Holland, something of a newcomer to auto accessory retailing, now has 84 branches, and the Debenham Group has opened a new accessory department at its Croydon store. Asda Stores is to have a large department at Chelmsford, and Halfords is to have a branch in the first phase of the central shopping centre in Milton

be the market leader in with its windows Servoglide. But the company caller expect from his car telesays it has no idea of what phone? the value of the total market must be. Engagingly it adds that it thinks that when people have tried them once they become the sort of pro-

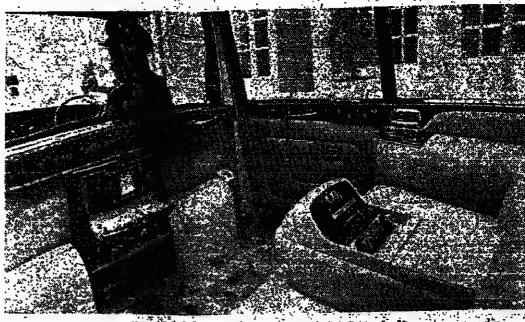
Smiths Industries reckons to

NODDY DOGS, Huggy Bear car ducts." The total figure represshops (independent and mul- about 85,000 units a year, to a m hall for accessories and

The trade beefed away about last year's Motor Show, for it sensational accessories and components will might not. Like furry dice? be interspersed. In addition there is to be a new 15,000 sq

From the highest-fi to the felt that the layout resulted in screen printed murals of components and accessories samural or space stations and being in a "corridor" which self-adhesive "instant" car and led to the commercial vehicles. club badges, the manufacturers will be made the smoother with sories to their vehicles as well 50 per cent have an accessory For the 1980 show cars are to try to offer the motorists everybe spread around more and thing they might want-or

Pamela Judge



The interior of the Queen's Rolls-Royce Phantom VI, including stereo radio and cassette deck and controllable air conditioning

...and keeping in touch

THE USE of car telephones has operators: direct communica-been wholly successful, nor has hished worldwide strength the radio paging and office message been growing sharply in recent tion was out. Since June 1978, it completed the structural recompany will provide fierce handling services as well. There years, as the manufacturers of companies who are assued with a forms it set out to do. But the competition to the established is, as the Post Office points mobile communications equipallicence can provide a service liberalisation of mobile remonnances. ment successfully plug the line that greater use of two-way to talk direct to another intent. holds out significant prospects of

energy savings.

The point is a simple one: messages relayed from a central point can cut out the need for transport managers to re-route the vehicles in their fleet as new

apposite. Luxury cars are frequently used by executives, who may well lose time in not being in constant touch with the office. However, at the luxury end of the car telephone market, equally important marketing strategies are the ability to conduct business in the course of a journey (especially in chauffeur driven cars) and the convenience of remaining on call for urgent

These factors-together with the more indefinable one of keeping up with the next manager-are likely to be more persuasive in the future. So what kind of service can the car-

In the UK the answer is that he can expect an improved one. Last year, the Post Office liberalised its restrictions on mobile communications. Before The "aftermarket" customer ducts that you can't think how last June, all messages to and the widest possible range of the —and has rapidly gained a required, to accommodate has an increasing choice of you managed without them from mobile stations had to be most modern services possible claimed 10 per cent of the UK increased demand not only in where to shop. Motor accessory before. Powered roofs sell at relayed back and forth by as soon as it could. It has not market. With its well-estab mobile car telephones, but in repair work, with a further 17 The "aftermarket" customer ducts that you can't think how last June, all messages to and per cent involved only in buying has an increasing choice of you managed without them from mobile stations had to be

which allows the mobile caller

The Post Office is happy with this liberalisation, saving that it

can now switch their customers straight into the public network, allowing them to hold direct, two-way conversations with any other subscriber.

achieved by intensive lobbying Marconi, a British General on the part of the operators Electric Company (GED) sub-over some years. They formed sidiary, has recently re-named an association largely for the its mobile radio division purpose-the National Association of Radio Communications siderable autonomy: it is mar-Services—and convinced the authorities of their case. However, the regulatory change came as the Post Office itself large orders from Aircall, and was reassessing its marketing recently became an approved strategy, and was an early supplier to the Post Office.

decided, partly under the in- cations company, which is also fluence of new top management a leader in the adjacent field appointed a little less than two of electronics (especially micro-

munications is an earnest of its.

Subsidiary

Electric) is probably next ith any other subscriber. largest, particularly competitive. The liberalisation was in part in commercial vehicles radios. Marconi Radio and given it conketing a system which can be unbooked from the car and transported. It has received

product of that reassessment. Largest supplier in the world.

In brief, the Post Office had is Motorola, the U.S. communi-

Other, smaller companies, many of whom are recent-

entrants to what is seen as a growth market both in the public utilities sector and in the private market, are Dymar, messages relayed from a central point can cut out the need for return journeys, and can enable transport managers to re-route the vehicles in their fleet as new orders come in. The net result is a gain in efficiency and a saving in petrol.

In the UK, the major manue, the private market, are Dymar, facturer of mobile communications, Reditions equipment remains. The font and Bird Audio. Yet of Cambridge, a subsidiary of another is Burndept, which the Dutch multi-national, attracted some possibly unwelled the new system a chance.

This means that the operation of the same point remains that the operations are the company forms and claims to hold third place in the world. Like the Post Board late last year for a company over the private market, are bymar, facturer of mobile communications; Reditions equipment remains. The font and Bird Audio. Yet of Cambridge, a subsidiary of another is Burndept, which the Dutch multi-national, attracted some possibly unwelled the new system a chance.

This means that the operation in the world. Like the Post Board late last year for a company over the private market, are bymar, facturer of mobile communications; Reditions equipment remains. The form and Bird Audio. Yet of Cambridge, a subsidiary of another is Burndept, which the Dutch multi-national, attracted some possibly unwelled to company forms at the private market, are bymar, facturer of mobile communications; Reditions equipment remains. The form and Bird Audio. Yet of Cambridge, a subsidiary of another is Burndept, which the Dutch multi-national, attracted some possibly unwelled to company forms.

The private market, are bymarket, are bymarket, are bymarket. The private market, are bymarket. The private market pymarket. The private market pymark (but ultimately held by the drained its reserves. Its specific giant U.S. company General complaint appears in here before the drained its reserves. The specific giant U.S. company General complaint appears in here before the drained its reserves. over-reliance on fixed price contracts with public utilities at

a time of rapid inflation The largest problem in the car radio market is thus no longer the regulations, which have been liberalised, nor the suppliers, which appear plentiful, nor the operators, which when the Post Office is included. -provide a virtually national service, but the airwaves, which are limited. Indeed, in London, where demand is by far the highest, they are near to exhaustion.

The Home Office: which has surveyed the market reckons terests to attempt to provide base in the UK—in Besingstoke 70 MHz and 90 MHz and most modern services and has rapidly defined to the year 1985; but that present bandwidths will be

out, a certain amount that can be done without extra frequency allocations: for example, the 25 MHz spacing between channels can be reduced to 12.5 MHz, which while not quite having the effect of allowing the doubling of the number of channels, does allow an appre-ciable increase. But in the end, as everyone agrees, extra bandwidths will have to be found from somewhere.

The forum for these deliberations is the World Administrative Radio Conference, which will convene in Geneva later this year. There, the demands of a number of countries and complaint appears to have been others, particularly the U.S. are also suffering from band starvation—will it is hoped be sorted out. There, the needs of advanced industrial countries will jostle with the more modest (but equally as urgently felt) plans of developing countries, many of whom are in the early stages of building up radio and television services, all of which have their disms on the spectrum.

> At this point, it seems likely that space may be found by shuffling television off the bands it now occupies, although from television interests on the proposed restructuring. How-eyer, it seems that a solution can be found, and that the growing market can continue to be served.

John Lloyd

Senator. The small circle of exclusive cars has grown a little.

Once, not so long ago, you could count the number of true prestige cars on the fingers of one hand. Now there's a genuinely new

contender

The car that won Germany's coveted Golden Steering Wheel' award before a panel of automotive experts from all over the world, for safety, comfort and performance.

The Senator

From one of Europe's most successful car manufacturers - Opel That the Senator can only add to the marque's success is confirmed by 'Car' magazine; Do the much respected Mercedes Benz 280SE and BMW 730 have anything to fear from the svelte new Opel Senator

3.0E? You bet they do!

capable of 0-60 in under 10 secs without a mumur. ('Car' figures.)

That's something you, or your chauffeur, will appreciate.

So is the mood of sheer opulence that surrounds you, From the deep velour seats, the rich pile carpets, to the tinted, electrically operated windows.

Suffice to say, the Senator is equipped with everything you've every right to expect from a luxury car.

When you get behind the wheel (power assisted, of course, and adjustable) you'll be cosseted by front-seat

 heating and height adjustment, full locking, plus everything else that can transform modern motoring from an .



In purely practical terms, the Senator The Senator offers you a three-litre, instrumentation and driver information at around £11,000, with its automatic six-cylinder, fuel-injected engine systems, a cassette radio, centralised i transmission, car, do a great deal to make the business of getting from A to B more comfortable more efficient less time consuming.

And do it in style. We suggest you write to the Opel Information Service. PO Box 2, Central Way, Feltham Middlesex TW140TG, for a comprehensive information package on the Senator

After that we'll let a test drive do the talking



the Dividences

UK COMPANY NEWS

Second-half lift for Arlington ...

They now say all group activities have shown an improvement and the results stem largely from the company's policy of modernising and developing artisting luminesses.

The company is budgeting for a profit increase in the current year and is ahead of forecast year and is abead of forcast after two months. However, the impact of the Budget and fuel supply problems cannot yet be determined, they add.

The net total dividend is raised 14.9 per cent from 7.83p, to 9p, with a 6.5p final Stated.

to 5p, with a 0.5p mail stated were also higher. Speaking at yester to higher at 27.6p (24.5p). The chairman second at 27.6p (24.5p). Speaking at yester to higher at 27.6p (24.5p). The chairman second at 27.6p (24.5p). The chairma

e comment

These may be salad days for arrington. Motors. Commercial vehicle sales remained buoyant. in the first quarter of this financial sear so, with trucks and vans per cent of vehicle ternover, the economic forecasters and quasi group has been able to with stand stagnation in the used car market and the flattening of carmitet and the flattening of carmites of 105p supporting a yield. The group's cash balances country into a recession. He depored this negative thinking.

The group's cash balances country into a recession. He group's cash balances country into a recession. He depored this negative thinking.

The group's cash balances country into a recession of 13 per cent, the stated p/e timed to improve. In the last of 3.6 looks, a shade humble, five years from had been spent on new fixed assets without its \$6.4 and medium term prosedures for the pects are not so bright, with diture this year was expected to be \$2m making film over a sixtowards the end of the year. Nor towards the end of the year. Nor year period.

Willst second-half passes tissing is the balance-sheet in impression 1475,000 to 1597,000, the sive shape. The 1725,000 purished surplus of Addington chase of Northampton Car motor Holdings increased 15 per Auctions has been charged to east to a retord 11.32m in the stock financing, while leans and overdrafts have risen to 14.2m much higher taxable profits of overdrafts have risen to 14.2m much higher taxable profits of overdrafts have risen to 14.2m much higher taxable profits of overdrafts have risen to 14.2m and overdrafts have risen to 14.2m from 22.3m. The group has not removed the interest pay against 143.1m.

At midway profits were up finance, where the interest pay against 143.1m.

At midway profits were up finance, where the interest pay half figure has risen from 153.88m.

At midway profits were up finance, where the balance-sheet he directors expected that the pair sear out that the position improved considerably in the first quarter of the current the net interim dividend is in-

GEI ahead in first quarter

IN THE first quarter of 1979/80 sales of GEI International, a specialist engineering group, were 9 per cent ahead and profits were also higher.

Speaking at yesterday's AGM Mr. Thomas Remy, chairman, reported that orders received showed an increase of 15 per cent and outstanding orders were

The chairman said that his sights are well set on aiming for the tenth successive year of record profits, provided the monners in the City are proved Wrong.

Mr. Kenny said that it seemed to him that "many persons in the City pins self appointed economic forecasters and quasi business federations are busy

Brengreen expects growth: further acquisitions

A FURTHER rise in profits is green (Holdings) in December. forecast, for Brengreen (Holdings), cleaning and maintenance group, for 1979-50, by Mr. David Evans, the chairman. The company, formerly Empress Services (Holdings), also proposes to raise its borrowing limit to fifm on existing capital meanwhile it has acquired two private painting, decorating and building maintenance businesses,

huilding maintenance husinesses, known as Rowe Decorations (London) and Rowe Decorations of Kensington. The deal involves the purchase of fixed assets for some \$40,000, but the principal: assets are the benefits of several contracts for which the consideration will be a maximum of £120,000 based on twice pre-tax profits for the current. Present

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91914

of £265,000 (£30,000) following the reverse takeover of Exclusive Cleaning (Holdings) and Bren-

rationalisation of the enlarger group is almost complete and the results for the coming year should reflect this progress. Part of the changes include the transfer of the operating sub-sidiaries to a holding company to be called Exclusive Cleaning

profits for the current. Present purposes for the expendence firm.

Payment will be made over the expanded to provide facilities for customers as well as inhouse. As part of the developing financial services provided by Brengreen For the year to March 31, 1879, a plant and vehicle leasing substitutes for the year to March 31, 1879, a plant and vehicle leasing substitutes for the year to March 31, 1879, a plant and vehicle leasing substitutes for the year to March 31, 1879, a plant and which the chair man adds. The existing ma

Meeting Great Easiern Hotel, EC, on August 20 at 11 am.

STERLING INDUSTRIES LIMITED

RESULTS FOR THE YEAR ENDED 316 MARCH 1979

	1978 £
Group Leading Profit after texted on 466,000	4,875,000 448,000
Crevkerne Investments Lod., Proportion of the Company's per profit particular to the Company 129,000	114,000
Processive Dividends 19,600-	19,600
Mines (1978: L283To per share) 292,680 Entire per Ordinary Share 2.878p	256,620 2,710p
Present Per Country Canada	

The Annual General Meeting was held on 24th July, The Chairement circulated with the Report and Accounts may be menument as follows:

Traffy show a modere improvement over the previous year. Policy & to lacreace demand for Company's products, and to commune to invest in new plant,

Ordinary dividend increased by permissible 10 per cents

CHARMAN'S ADDITIONAL REMARKS:

Theiresults of the first quarter of the current year show some languagement over the corresponding quarter of the previous



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64 Cemhill, London EC3V 3PS. Telephone: 81-283 3090

Richard Ellis

Howard Machinery rises £208,000 at six months

creased from 0.55p to 0.58p per 25p share, last year's final being There is no tax charge at the six months stage. The attributable balance came out at £484,000 (£96,000) after crediting minority losses of £125,000 (£55,000 debit).

comment

Howard Machinery has been suffering from the chronic malaise in worldwide demand for agricultural machinery which has plagued manufacturers since the mid-1970s. Pre-tax profits have more than doubled for the six month period to Anti, but this is not necessarily because of the unturn in sales, which amounted to 12.4 per cent. Rather, the increase in profits yield stands at 5 per cent on a reflects a reduction in wage share price of 28p. Profits will costs and a reorganisation of probably be marginally higher they intend to main production. Howard closed its at £2.4m indicating a prospection and Washington New tive p/e of roughly 7.1. Howard Tax for the period frown factories last year, laying has done well to reduce its wage off over 600 workers and slime expenditure amid lagging sales, £243,544 (£215,617).

TODAY
Interims—Albion, Bank Leumt (UK),
City and Foreign Investment, Concord
Rotafier, Foreign and Colonial Investment Trust, Gillett Brothers Discount,
Y. J. Lovell, M. Mole, Mooraide Trust,
Machania Industria TACE.
Finals—Braithwaite, Crossfrans Trust,
Harold Ingram, Stanhope General Investment, Stock Conversion and
Investment Trust, Wyndham Engineer-

FUTURE DATES

ming its entire operation. The company is still in a recovery phase, but cannot be very pleased with its cash flow. Thus, the interim dividend has been maintained at the gross level is difficult to forecast how international demand for agricultural machinery will look over the next twelve months. If the current dearth of demand continues, this could be worrying

Ladies

FOR the six months ended May 31 1979 the directors of Ladies Pride Outerwear report an advance in pre-tax profits from £451,197 to £507,544 on turnover of £3.79m against

Profits for the whole of the previous year reached a record £1m (£982,000) and the directors optimistic that the company would continue to progress in performance and profits. First half earnings

share and the net interim dividend is effectively raised to 1.4p (0.7917p) The directors state that given

reasonable trading conditions they intend to maintain the same Tax for the period took £264,000 (£235,580) leaving a net profit of

Rosgill on target with £1.13m and pays 2.31p worth around 25 per cent. The

May 26, 1979, compared with osses totalling £717,000.

Following the return interims in January, a final of 1.56p in now recommended, making 2.31p. No payments had been made in the previous three

At midway, the surplus was 256 per cent higher at £720,000 The directors of this clothing distributor now say they are cautiously optimistic for the current year, budgeting further improvements in turnover and

Turnover for the year rose from £16.2m to £22.87m. Tax took £94.545—there was no charge last time. Stated earnings per 5p share are well up at 10.8p (3.3p).

the year so there were few surprises in the recovery to 1973 profit levels. After a long period of unsuccessful diversification, the group is now sticking to its original last and the benefits of higher consumer spending, faster stock turn, increased sales staff and better cash collection come through to a 41 per cent turn-

Rosgil Holdings turned in taxable shares climbed 1p yesterday to profits of £1.13m in the year to 35p where the fully taxed historic p/e is 6.3 and the restored net £315,077 last time. In the dividend yields 9.9 per cent. That previous two years, there were looks fair enough but the outlook for the retail clothing trade this year is shrouded by many un-certainties and the group would probably admit that, after so many self-inflicted wounds, three or four years of solid earnings growth are needed before investment credibility is fully restored. There should be more to come from the Dutch operation this heavy movement and recruitment costs but, for the cautious, there are probably equal or better

Sharp rise at Crescent Japan

returns elzewhere at less risk.

Rosgill had already forecast Investment Trust rose sharply something over £1m pre-tax for from £92,129 to £217,643 for the first half of 1979 subject to tax of £113,174, against £47,907. Earnings per 50p share are shown as 1.667p compared with 0.706p. There is no dividend payment—none have yet been paid. Holders of 468,338 ordinary shares subscription warrants exercised their rights on June 30, 1979, resulting in an issue of

(234.3p) has been adjusted for

Good first half for Cadbury SA

June, 1979, Cadbury Schweppes (SA) has increased its turnover by 15.6 per cent to R13.1m, and its profit before tax by 50 per cent to R\$27,000. Earnings rose from 8.1 cents to 11.6 cents and the interim dividend is stepped

up from 4 cents to 5 cents. Profits are cyclical, with the bulk being earned in the second half. This year the higher fuel, packaging and materials prices will have a heavy impact on costs, but unless trading con-ditions deteriorate, second half earnings should at least equal the 1978 figure of 27.2 cents.

The company is the 66 per cent-owned South African sub-sidiary of Cadbury Schweppes. Helped by this year's longer and hotter summer, real profit increases came from the soft drinks division. On the confectionary side, profits were also higher, though this was largely the effect of a timing difference in expenditure which will be



Some improvement as new investment and reorganisation take effect.

Extracts from the Statement by the Chairman, Peter Balfour.

Group operating profit was up by 7% and profit before tax showed only a marginal increase though profit after tax was down. This relatively flat performance nevertheless contains some hopeful signs. After being down at the half year there was a much better performance in the second half, during which operating profits were 14% up, despite delay in applying a price increase until the end of February. Hotels, managed public houses, and wines and spirits all showed good increases. Beer wholesaling started to reverse the trend of the last two years and made up much of the ground lost during the first half.

BEER WHOLESALING

After being over 4% down in volume at the half year, beer sales ended the year 1.3% down. March and April were better months. We began to regain our market share and this trend has been continued in the current year. The recovery has been noticeable in all our brands, but we are particularly pleased with the progress of McEwan's Lager.

BREWING AND PACKAGING

A new primary warehouse at Fountain Brewery has been completed. At Tyne Brewery work has started on the first phase of a new bulk packaging line and associated primary warehousing due to be completed in 1981. A temporary line to handle bulk packages of bright beer is now in use. With the completion of the Tyne Brewery packaging, and the acquisition of the Harp breweries at Edinburgh and Manchester, much of the first phase of renewing and modernising our brewing, packaging and distribution facilities will have been completed.

Hotels have increased their profits by 40% This good performance, which owes as much to improved management and marketing as to new units, has encouraged us to make major alterations and extensions to a number of hotels. We are currently looking for further opportunities in the hotels field.

MANAGED PUBLIC HOUSES

Profits in our own managed houses have

RESULTS AT A GLANCE

1978 1979 £35.4m £35.7m Profit before taxation 10.0p 8.5p Earnings per share £9.7m Ordinary dividends £11.2m £12.5m Profit retained £12.6m

increased by 24% in spite of the effects of very bad weather in January and February. We are now feeling the full benefits of the 1977 reorganisation of the public house management structure.

WAVERLEY VINTNERS

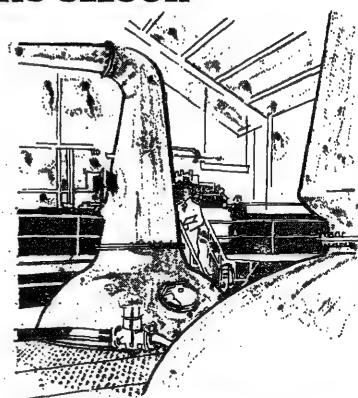
 Waverley Vintners again produced record results, which would have been better but for difficulties with exports caused by the national transportstrike.

HARP

The proposed restructuring of the Harp consortium will mean that we have converted: our stake in Harp Lager Limited into assets that give us adequate modern brewing capacity for the next decade. We have maintained our ability to brew and sell Harp brands, which form so important a part of our. portfolio, and we have gained the flexibility in our marketing arrangements that will enable us to act freely in the lager market.

REORGANISATION

The organisational changes described last · year are now virtually complete. At that time I said that it would take eighteen months to two years for the full effect to be felt. This is still true, but I believe it is fair to claim that some effects are already showing, and the better performance in the second half reflects a better service to our customers and an increase of confidence on the part of all our staff. There is still a long way to go and a reconstruction of this magnitude is costly, but everyone in the Company is now convinced. that we are much better able to meet the challenge of the very herce competition which is likely in the brewing industry in the immediate future. Capital expenditure to modernise, improve, and expand the Company will be of much the same level as in the last two years, and we have adequate facilities.



THE FUTURE

The recent budget changes, which combined increased spending power with higher indirect taxes, high interest rates, and the promise of further inflation, have made the short-term very difficult to predict. We are satisfied with the progress made by our hotels, managed public houses, and wine and spirit businesses, and in any reasonable economic climate they will continue to prosper. The major part of our profits still comes from beer wholesaling and the changes we have made are beginning to show results.

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To: The Company Secretary, Scottish & Newcastle Breweries Limited, Abbey Brewery, Holyrood Road, Edinburgh EH8 8YS Please send me your Annual Report & Accor (BLOCK CAPITALS please)	ints for 1979.
Name	ng -paggangana ang ang ang ang ang ang ang an
Address	
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MINING NEWS

Anglo American set for another good year

giant Anglo American Corporation of South Africa mining. finance and industrial group. It looks back on a year—to March 31—when earnings climbed to a record R202m, equal to 90.2 the net asset value rose to 1,357 cents (704p) per share.

The Anglo group mines last year produced over 37 per cent of South Africa's gold, or 27 per cent of non-Communist world output. And the strength of the bullion price resulted in gold group's largest contributor to investment income in the year to March 31. The market value of the portfolio at that date was R3.38bn (£1.76bn).

Gold provided 37 per cent of the total investment income compared with 30 per cent in the previous 15-month period. previous 15-month period. Diamonds contributed 28 per cent, industrial interests 17 per cent, finance 7 per cent and coal 6 per cent. Although the group's copper mines accounted for 12 per cent of world production of the metal, copper provided only

SALES

OPERATING PROFIT

PROFIT BEFORE TAX Losses (profits) before tax

31 October 1978 Interim

31 October 1979 Interim

in issue or agreed to be issued.

Hambros Bank Limited,

41 Bishopsgate,

Authorised

Security Centres (U.K.) Limited.

Investment Intelligence Limited,

15 Christopher Street,

London, EC2B 2PE.

25th July, 1979

£800,000

London EC2P 2AA.

Years

Share of profits and (losses) of associated companies

attributable to minority interests PROFIT BEFORE TAX ATTRIBUTABLE

shareholders on the register at 28 September 1979.

AN AIR of confidence pervades 1 per cent of the group's invest-the 70-page annual report of the ment income. explained by a simple case of "salting" (fraudulently adding

On the exploration side, Anglo has nearly completed its of a small investigation secondary uranium deposit in Namibia (South West Africa) and will be taking a decision as to its viability next year. Further exploration is being done at secondary uranium other prospects in the country in the hope of proving a viable tonnage. A preliminary feasibility study

is to be made towards the end of this year at the Namosi low grade porphyry copper prospect in Fiji. The joint venture partners are Australian Anglo American, Conzinc Riotinto of Australia, Preussag and Amax. An echo from the past is contained in the news that the drilling programme has been completed at the Erfdeel block, north of Free State Saaiplaas. A substantial tonnage of marginal

grade gold ore has been indicated Back in 1949 a borehole put down on the Erfdeel farm by Free State Gold Areas assayed a phenomenal 56,106 inch-dwts. Alas, the phenomenon was

HOWARD MACHINERY LTD.

GROUP RESULTS FOR THE HALF-YEAR

ENDED 30th APRIL 1979.

To maintain the same gross interim dividend, the net dividend has been increased to 0.58p

per share. This takes account of the reduced tax credit (33% to 30%) and will be paid to

外HOWARD

Sproughton, Ipswich, Suffolk IP8 3AE

Telephone: Ipswich (0473) 48621

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Exchange and does not constitute an invitation to the public to subscribe for or purchase any

CAPITAL RESERVE FUND

Application has been made to the Council of The Stock Exchange for all the Participating Redeemable Preference Shares of 1p each of Capital Reserve Fund Limited, issued and available to be issued, to be admitted to the Official

On 18th July, 1979 the value of the net assets of the Company was approximately

£13-4 million and 1,283,962 Participating Redeemable Preference Shares were

Particulars of Capital Reserve Fund Limited have been circulated by Extel

Statistical Services Limited and copies of such particulars may be obtained

during usual business hours on any weekday (Saturdays and public holidays-

Grieveson, Grant and Co.,

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It does not constitute an invitation to any person to subscribe for or purchase any shares.

SHARE CAPITAL

Application has been made to the Council of The Stock Exchange for re-admission to the

Official List of 3.538.687 Ordinary Shares of 10p each, and for admission to the Official List

of 2352941 Ordinary Shares of 10p each issued in connection with the acquisition of

Particulars relating to the Company are available in the Statistical Service of Extel Statistical

Services Limited and copies of such particulars may be obtained during normal business

hours on any weekday (Saturdays and public holidays excepted) up to and including 8th

Ordinary Shares of 10p each £589,162.80

59 Gresham Street, London EC2P 2DS. Clive Investments Limited,

25th July, 1979

Issued and

Finsbury House,

22 Blomfield Street,

London, EC2M 7AS.

Dennis Murphy, Campbell & Co.,

fully paid

1 Royal Exchange Avenue,

London EC3V 3LU.

excepted) up to and including 31st August 1979 from:

April 1979

£,000

38,977

Date of

2 Nov. 1978

2 Apr. 1979

1 Nov. 1979

gold to the ore samples before assay) and subsequent deflec-tions of the borehole ED5 gave values of around only 200 inch-

comment

Mining finance houses generally can be said to be in a long-term softening in base-metal prices after their recovery from depression levels. If Anglo's weakness is an over-exposure to South African political uncertainties. its strength is in its diversification of income sources, firm management and strong finances. Thus earnings from gold con-tinue to advance while the market for diamonds has cooled and those of base-metals are uncertain. Industrial interests seem fairly well placed and the South African economy is in better shape than many others in the world. Anglo's profits should thus continue on a rising curve in the current year. At 333p the shares give a reasonable yield of just over 7 per cent for

6 months

April 1978

€,000

34,670

(118)

151

0.550

Asarco seeing good recovery

base metals groups, yesterday emphasised the trend towards higher 1979 earnings in the North

American industry with the announcement of a striking increase in second quarter profits.

In the three months to June net profits were \$68.37m (£29.7m)

periods a lowly \$2.2m in the same against a lowly \$2.2m in the same period of 1978, bringing income for the first half of the year to \$105.7m, a dramatic turnround from a 1978 first half loss of

The group's performance has been paralleled by Vestgron Mines, the Greenland zinc-lead producer controlled by Cominco of Canada, whose first half net profits were C\$14.6m (£5.45m), including C\$13.7m from the June compared with a 1978 first half deficit of C\$758,000.

Vestgron attributed its return to profits to higher shipments of zinc concentrates and the marked improvement of European metal markets, Whether Vestgron's second half trading will be so successful is open to doubt. All prices have declined on the London Metal Exchange since

the end of June.
But Mr. Charles Barber, the Asarco chairman, remains confident. "The outlook for the balance of 1979 is good," he

Partly this 'is because the group's facilities are working well, but, Mr. Barber contended. The outlook for metal markets, particularly for copper, lead and silver, remains firm, notwithstanding the apparent weakening

of the Canadian coal producers, boosted second quarter net earnings by 38 per cent to C\$16.9m (£6.3m) from C\$12.2m in the same period of 1978. Metallurgical coal shipments were at a record 1.58m tons, 37 per cent higher than in the comparable period as steel preduction in-creased and competitors in Australia were hit by strikes.

and Quebec producer, had net income in the year to June of C\$6.8m (£2.5m), slightly down on the C\$7.1m earned in 1977-78.

Nervous SA gold shares market :

Despite renewed firmness in the bullion price which closed \$1.25 up at \$305 per oun after having been above \$307 for the first time ever—South African gold shares were a nervous market yesterday. The Gold Mines index fell 2.5 to 161.8 and in ex-premium price

form it was 1.0 down at 151.7. Although the sharemarket in non-premium dollar prices has outpaced the rise in the gold price this year—the respective increases being 53 per cent and 35 per cent—shares have made a disappointing performance in recent times while gold has moved up to new peaks.

The bullion price is less dependent on physical demand than are prices of shares because the dollar price of the metal tends to be adjusted upwards to a large extent against the falling value of the dollar. Share prices need buying to sustain them and buyers have been put off by a general feeling that the bullion price is due for a reaction after ts strong rise.

Taking a view that a setback in gold would be mirrored by a sharper movement in the more volatile sharemarket buyers have been holding off. Ironically, perhaps the best tonic for the jaded sharemarket would be a sharp temporary reaction in the bullion price.

well stimulate a fresh demand for shares which, even at their current levels, are offering temptingly high yields while dividends and earnings continue United Asbestos, the Outario to rise.

Liberia set to expand iron ore output

THE Liberian Government is optimistic that a major alternative supplies, the official expansion of its iron ore said. industry will be agreed by the end of the year with a Japanese consortium led by Kawasaki Steel, a senior Government official said, reports Mark Webster from Monrovia

The project at Wologisi in Lofa County would require an initial (£217m) and would produce around 7m tonnes of fines of which Japan would absorb 4.5m

the Japanese consortium in October, and, if the agreement is signed, building work would start six months later and the plant would come on stream four or five years, the

The scheme has been under discussion ever since 1970 but the original idea of investing \$2bn in a pelletising plant was dropped in 1973 when world prices for iron ore fell,

A second big expansion is being considered by the largest existing mining company, existing mining company, the Granges-Liberian-Bethlehem Steel joint venture company, Lamco. Their present mine at Nimba is expected to be exhausted during the next decade

by the end of the year whether to reopen the nearby Tokadeh mine which started in January, 1973 but closed again shortly after because of falling prices. Tokadeh has proven reserves of 70m tonnes of soft ore with an FE content of 55.7 per cent medium ore reserves of 23m tonnes and 66m tonnes of hard

year. Two other projects are also An answer is expected from being looked at by the Governat Bie Mountain. considered marginal Government is canvassing hard to find a developer for Bie where costs should be less than

at_Wologisi. Iron important to Liberia, accounting for 56 per cent of export receipts and 43 per cent of GDP. world's fourth largest producer,
Liberia was mining 23m tonies
a year until world prices fell.
Last year it increased exports by 17.8 per cent. But what is worrying the Government is that, with rapidly rising fuel costs, their marginal iron deposits will no longer

Wales south coast coal miners came yesterday when Bellambi Coal reported a \$A2.87m (£1.4m) pre-tax deficit for the year to cent zinc and 36 grammes silver June 30, reports John Rogers

There is no final dividend, so the greatly reduced interim of 10 cents (4.9p) becomes the company's only payout. Last year total payments were 40 cents on

The main shareholder to suffer will be Consolidated Gold Flelds of Australia, which holds 68 per cent of the capital.

Bellambi registered credits of \$A2.25m during the year because of investment allowances and trading stock adjustments. If these are included in the result, the defait the deficit is pared down to SA621,000. The directors gave several

reasons for Bellambi's dis-appointing performance, which failed to justify their earlier predictions that there would be an improvement in the second half after a small interim loss.

The reasons included increased costs and reduced washery recovery, continued imposition of the federal coal export duty, stoppages, breakdowns and shipping congestion at Port Kembla, and reduced saleable coal production because of prolonged-strike action by maritime workers at Port Kembla.

The Congestion at the Port Kembla loader led to the can-cellation of sales valued at more than SA6m in the last quarter of

WESTERN MINING AT BENAMBRA

Further encouraging results are announced by Australia's Western Mining from drilling at vits prospects near Benambra in Victoria. At the original Wilga prospect a 9 metre section of shallow hole No. 29, running from 54.9m to 63.9m, has assayed a good 6.8 per cent copper with a low 0.6 per cent zinc and 32 grammes per tonne silver. Nearby at the more recently discovered Currawong prospect hole No. 27 failed to find mineralisation. But hole No. 34,

of mineralisation, from 137.2m to 154,1m, and assayed 1 per cent copper, 0.6 per cent lead, 2.8 per

At the company's 75 per centowned Yeelirrie uranium project in Western Australia preparations have started for the construction of a metallurgical research plant near Kalgoorlie for testing the ore.

Whitbread optimistic as beer sales increase

the brewing group is hoping for by the trade. a reasonable result for the first six months.

Mr. Charles Tidbury, the chair—buoyancy of local brands, Fremman, reminded holders that lins Tusker, Pompey Royal and since the year end the group Welsh Bitter.

had endured bad weather, On group developments the changes in VAT, disruptions at the Luton plant and a £50 loss in profit due to the Price Combiestor.

selling more beer than last year and achieving more than its share of the available trade. "We shall therefore do our . . . best to eatch up on our original profit plan for the current year," declared the chairman. Whitbread Goes not intend to

cut back on any of its capital commitments, which are extensive, particularly at the trading end. Expenditure is being in-creased to develop the Free Trade and there is a wide-ranging pro-gramme of pub building and improving, and developing the catering operations.

Mr. Tidbury reported that the lager market continued to grow

. Marked progress had also been made in the ale sector headed by Speaking at the AGM yesterday Trophy bitter and helped by the fr. Charles Tidbury, the chair buoyancy of local brands, Frem-

chairman said that Chiswell Street had gone well and the first block was topped out last week. It was hoped to top out the second block in about a year. Despite all this the group was

New scheme from Scottish Equitable

A new pension scheme for executives has been launched by the Scottish Eurischie Life. Assurance Society aimed at providing the advantages of a privately invested scheme with the security offered under a life company scheme

Under Exselfand, the company

MORE BEER is being sold by with Heineken and Stella Artois has to invest at least 50 per Whithread and Co. then last year performing well. The recent intro-cent of the assets of the pen-and based on trade in the first duction of Kaltenberg and Hel-sion fant with Scottish Equitable four months of the current year denbrau had been well received under an Exsel policy. But the remaining 50 per cent can be invested in accordance with the terms of the trust deed, which includes lending back to the parent company.

This is the main benefit provided by self administration and is in line with the requirements of the Superannuation Funds Office of the Inland Revenue

The services provided by Scot tish Equitable under Exselfund include the provision of actuariat reports and sther actuarial advice, pensioner trustee ser-vices, full decumentation and the insurance of death a service benefits and the provision of any annuities required. The com-pany does not however, after

The scheme provides the usual range of executive pension and other benefits providing flexi-bility. The benefits can be pro-tected against inflation by checking that the final salary figure is in line with prices. Pensions can be funded to increase at an agreed rate.

FF 300,000,000

Bond issue 1981, 1991

Interest rate



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Mercury Money Market Trust Limited

(A company limited by shares and incorporated in Jersey under the Companies Gersey) Laws, 1861 to 1968)

The authorised share capital of £30,100 is divided into 100 Founders' Shares of £1 each, all of which are fully paid, and 3,000,000 Unclassified Shares of 1p each of which at 23rd July, 1979 798,637 were in issue as Participating Redeemable Preference Shares and 84.834 as Non-Participating Redeemable Second Preference Shares

Application has been made to the Council of The Stock Exchange for admission to the Official List of all the Participating Redeemable Preference Shares of Ip each of the Company issued and available to be issued. Particulars of the Company are available in the Extel Statistical Service and copies of such particulars may be obtained during business hours on any weekday (Saturdays excepted) up to and including 15th August, 1979 from:—

> S.G. Warburg & Co. Ltd. 30 Gresham Street, London EC2P.7EB

S.G. Warburg & Co. (Jersey) Ltd. 7 Library Place, St. Helier, Jersey,

25th July, 1979.

Hoare Govett Limited Atlas House, 1 King Street, London ECZV 8DU

Has you perform

HIGH

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BIDS AND DEALS

Bestobell rejects BTR and forecasts over £6m

Bestobell has produced a fore. This year's profit improvement that of sharply higher profits for will be broadly based both of a secured loan and a subgress in a strongly worded docugeographically and industrially. Scription for 25 per cent of the great to shareholders setting out. Describing the bid an "opportion of the company's equity.

for itself in the offer. BTR can acceptance would be a cheap add nothing to its manufactur-tell-out to BTR, the company ing businesses and there will be say. Mr. Sandy Marshall, the little benefit from economies of former P and O managing directions.

his year of more than 15.3m. In short, Mr. Marshall control to the board do also proposing to the ordinary shares, up from last the commercial merit negligible."

Sear's 95.2p. This will be more than adequately covered, despite the likelihood of a higher corporation tax charge in 1979, Bestobell says.

Sestabeli says.

BTR undoubtedly sees Besto pell as offering a cheap growth step." Mr. Marshall adds in the occument. He says the bid came just as the present redirection of Bestobell was resulting in reimed growth and higher profits. Increased investment has led with domestic profits on a . The company is already in

its reasons for continued reject tunistic one, Bestobell say it from of BTR's 226m bid, worth sees no commercial advantages

Property and

Reversionary

raises £7.77m

By Andrew Taylor
Property and Reversionary
Investment Corporation has
raised 57.77m through the sale

of its 18.2 per cent stake in Pro-perty Holding and Investment

Property and Reversionary says that it will use part of the cash to fund future develop-

A spokesman for the company

said that the shares had been placed with a wide number of

institutions at 3591p a share. In the market Property Holdings shares closed 3p lower at 367p. In the year to March 31, 1979

Property Holding earned pre-tax profits of £2.24m compared with £2m the previous year. Accord-

ing to the last accounts Pearl Assurance has a 15.3 per cent

stake in the company and Pru-dential Assurance a 5.8 per

tor who is now the Bestobell In the higher technology end, chalman, predicts in the document that 1979 pre-tax profits tiss. Bestobell's international will be "not less than 39 per merchanting network, which last tent ligher than those for 1978." year accounted for 32 per cent will be "not less than 30 per merchanting network, which last cent higher than those for 1978." year accounted for 32 per cent Based on last year's figure of of its sales, is "obviously a prime target for BTR." this year of more than 16.3m. In short, Mr. Marshall con-

ICFC FUNDS FOR PLASTICS CONCERN-

Industrial and Commercial Finance Corporation has provided start-up funds of £50,000 for three directors who have set a rise in UK trading profits of up their own plastics company, per cent a year since 1978. Deha Polythene, in Flint, Chwyd. strongly rising trend on a operation on the Manor Farm
As a result, he notes, the de Estate in Flint, extruding polyeline over the same period in the there film. The film is then
share of trading profits from converted into polythene bags on
Arrical Irpin 21 per cent to 12 which is printed the name of
per cent of the group total has the product and details of its
been more than offset.

London Trust buys 6.3% of Britannia Arrow

BY JAMES BARTHOLOMEW

Typdall group of muit trusts. Both London Trust and

Britannia say that their respec-tive purchases are to be held as investments. a statement normally intended to indicate that a takeover hid is not on

London Trust's 4.75m shares in Britannia are worth £926,250 at Britannia's current price of 181pper share, while Britannia's 225,000 shares in West of England are worth £470,250 after the West of England shares rose 13p to 57p yesterday.

London Trust had net assets of 270m in the less belance sheet. It prides itself on its entrepreneurial philosophy, has an established policy of buying significant minority stakes in small companies. Three large institutions own 24 per cent of London Trust.

Britannia yesterday welcomed the London Trust stake. The investment trust had expressed confidence in the management of Britannia at a private meeting a cent).

week ago, said kr. David White, secretary of Britannia. He was glad that the shares had gone to a friendly holder. London had a friendly holder that it might shares.

London, Trust, which invests increase its stake to around 10 in small companies; has bought per cent if more shares eams on the market.

Arrolf Holdings, jornierly Slater Walker Securities.

Buttannia likely has bought a West of England stake, Mr. West of England stake, Mr. White said there was no present England Trust, which twose the intention to bid. But Britannia was looking around for a comwas looking around for a com pany to huy. It might pick up several stakes before deciding what to acquire completely, he

> SHARE STAKES Associated Biscuit Manufacturers: W. A. Palmer and R. J. Palmer, directors, as trustees with Sir John Witt have disposed of 82.883 shares.

Western Board Mills: Mr. H. H Vogel, chairman, sold 150,000 shares from his beneficial holding on July 20 and 23.

Mariling Industries: Mr., Peter E. J. Held, director, has sold

60.000 shares FMC: NFU Development Trust holding 7,411,373 shares. Geever Tin Mines: Including

shares taken up in respect of rights allocated on its existing shareholding, Union Corporation Group has acquired a further 127,460 cordinary. The total interest of the group is now

Has your Pension Fund performance met your actuarial requirements?

The investment return on your pension fund is a crucial factor in determining the real cost of providing pensions, if your pension fund is invested in an Exempt Unit Trust or an Insurance Company Managed Pension Fund or if you are advising clients in this area, the best aid to making decisions and monitoring performance is the Survey of Pooled Pension Funds.

The Survey contains comprehensive performance details of over 130 tax-exempt equity, fixed interest, property and mixed funds and of all the main market indices. Details of each fund's investment policy. charges and portfolio breakdown are included in a separate 'profile' for each fund.

The latest copy of the Survey, updated to 30th June 1979, is now available at a cost of £50 from Harris Graham & Partners, 30 Queen Anne's Gate, London, SW1H 9AW 01-222 8033

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olved with a segregated pension fund, Harris Graham plor-made service which compares your own fund's

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From August 1st the Halifax Building Society introduces a 5 year Term Share at a guaranteed premium of 2% above the Paid-Up Share rate (which is variable). This means that the initial rate will be 10.75% net, which is equivalent to 15.36% gross if you pay income tax at the basic rate of 30%...

Ask your local branch or agency for full details (see Yellow Pages L

THE BIGGEST BUILDING SOCIETY IN THE WORLD.

ALLEN HARVEY & ROSS INVESTMENT MANAGEMENT LTD. 45 Cornhill, London EC3V 3PB. Tel. 01-623 6314. Index Guide as at July 19, 1979
Capital Fixed Interest Portfolio
Income Fixed Interest Portfolio

Record profit by Wheeler's

1978-79 1977-78 Trading profit Assocd, company . Profit before tax ...

Pre-tax profits increased from £640,902 to £767,560 on turnover of £5m compared with £5.2m and the directors are recommending a final dividend of 4.33p to make

CERAMICS SA HAS 15% STAKE IN ARMITAGE SHANKS

Lebanese industrial and trading interests, acting through their Panamanian company Ceramies Holdings \$A, now have a 15.14 per cent stake in Armitage Shanks Group, following the latest purchase of 565,000 shares to bring the total to 3.1710.

Ceramics began building up its interest after the \$.3 per viously held by Glynwed, came more. It onto the market last August. "There's The Ceramics purchases have about it."

tive increase in dividend are aunounced by Wheeler's shown as 29.84p against 21.14p.

Restaurants for the year ended March 31, 1979.

First-half profits had risen from £317.260 to £493.860 but the Board had warned of a decline in growth in the second six

months. Nevertheless an increase in full-year results was expected.

Mr. Bernard Walsh, chairman, now tells shareholders that the current strength of sterling is likely to have an adverse effect on trade which, coupled with rising costs will lead to a substantial reduction in profits in

But the Board is confident that any setback will be temporary and fully expects to maintain at least the new rate of dividend.

Mr. John Round, a director of

Armitage, the bathroom fittings concern, said the holding was viewed purely as an investment. The Lebanese group operates in similar sectors to Armitage and is interested in the UK company as a trade investment, said Mr. Keith Hamer, a director of MEA Investment Company in London,

The latter had no intention of Its interest after the 8.3 per making a bid and would prob-cent stake in Armitage, pre-property and problems of the problems nothing

Tough start trims hopes at Staveley Industries

foundry products and abrasive group have made the directors of Staveley Industries take an even more cautious view of the company prospects for 1979-80. Sir Harry Moore, the chairman, told the annual meeting.

However, the Board, which had already warned of an appreciably lower first half profits, still and profits for the year.

Sir Harry stated that, as a whole, there was now a better than before of the mineral products group not only reaching but probably exceeding last year's record results. Prospects and developments in other products areas roughly in line with previous expectations, he said.

The first quarter had been more difficult for Staveley than the directors had envisaged and the economy generally had not shown any signs of recovery. This had affected the company, particularly in foundry products and abrasives where the situation had been aggravated by the continuing hardening in the

A reappraisal had become necessary of both this division's management organisation and business strategy. Some doubt had also been created as to whether its profits will start Mr. Frank Phillips, has acquired

explained.

In other divisions the benefits of certain recent investments which might have shown themselves during the first six months would not come through until later in 1979-80, he said.

DRILLING TOOLS IN MERGER TALKS

Drilling Tools North Sea, which specialises in the rental of drilling equipment mainly in the North Sea, is in discussions with a third party which could lead to an offer for the group.

The talks may lead to an offer being made for all the A and publicly held B ordinary shares. The group said yesterday that if the discussions are successful "it is expected that the offer would be at a level considerably above the price for the B shares at which most recent transactions have taken place, namely £4 per

POM STAKE IN AMAL. ESTATES **UP TO 9.25**%

Property and Office Manage-ment, owned and controlled by

Amalgamated Estates, of which Mr. Phillips is a director. This brings its holding up to 1.5m shares, or 9.25 per cent. The latest shares were purchased from Dawhurst Properties, which now has less than 5 per cent

Profit increase at Sheffield Kefreshment

From increased turnover of £1.33m against £1.15m, profits before tax of Sheffield Refresh-ment Houses improved from £180.263 to £219.857 in the year ended March 31, 1979.

Tax takes £106,426 (£73,295) leaving earnings per share at 6.35p compared with 5.99p. The net dividend is 1.62p, lifting the year's total from a single 1.826p

Profits in the first six mouths had risen from £51,124 to £86,420 and the directors said then that, in the light of the improved results and confidence that there would be a good half, they expected to recommend an increased dividend for the year.

British Gas has had another successful year. We have repaid to the National Loans Fund over £1/4 billion over the ast three years. We expect to remain self-financing taking one rear with another. despite faritier substantial investment in developing the nation's Gas remains lighty competitive and despite inevitable price increases inthefuture, Lamconfident that it will remain the best buy in the premium energy market."

Sir Denis Rooke, Chairman of British Gas, reporting on the 1978/79 results.

Pre-tax profits were £360.7 million

Higher profits last year were largely due to:-1. Increased sales of gas because of colder weather.

2. Lower interest charges through early repayment of debt.

3. No write-off of conversion costs and displaced plant-the write-off of these items was completed in 1977/8.

Early redemption of £632 million of loans from National Loans Fund

...in addition to scheduled repayments of £88 million, thus helping to reduce the Public Sector Borrowing Requirement. Over £11/4 billion has been repaid to Government over the past 3 years.

Interest charges reduced by a further £51.5 million to £81.9 million

This compares with interest charges of £186.6

million in 1976/77. Lower interest charges reduce the total cost of operations, thus benefiting gas customers now and in the future.

100% self-financing

Over the past 3 years the Corporation has funded some £680 million of capital expenditure from its own resources. Investment in the further development of the nation's energy economy amounting to some £1¾ billion over the next 5 years is planned.

Over 360,000 new customers

... bringing to almost a million the number of new customers connected to the gas supply system over the past 3 years.

Further

setbacks

for dollar

Eurobonds

PRICES of dollar-denominated

Europonds were marked

down, sharply yesterday by

to find a new yield level at

dealers who are attempting

which they hope to attract ...

investor interest. At the ...

same time, a-\$25m convertible

NORTH AMERICAN NEWS

Pan Am forges ahead in National Airlines stakes

BY JOHN WYLES IN NEW YORK

struggle to acquire National holdings in the company. Before contest between Pan Am and Monday's purchases, Pan Am Eastern is extremely unlikely owned just under 25 per cent which have raised its holding in the Miami-based of National.

TXIA refused all carrier to 38 per cent carrier to 36 per cent.

On Monday, Pan Am spent yesterday that it might be adding to its holding. In New York which owns just over 24 per cent of National's 8.6m shares, the grounds for the CAB deci- around \$49.50. may be selling off its holding.

been told that CAB approval tion suggest that the third because it purchased its stock will be forthcoming in the next suitor for National, Eastern for an average of about \$28 few weeks for them to press Airlines, has little prospect of per share.

PAN AMERICAN World Air- ahead with efforts to acquire winning CAB approval for its ways is consolidating its posi- National. In the meantime, they attempt to acquire National. tion as the favourite in the are free to add to their stock

yesterday, but it is thought that some \$45.5m on 920,000 shares have decided to liquidate its cash and stock worth \$50 per and there were indications holding because of last week- share, does not have the Aeronautics Board to veto \$ there is speculation that Texas merger between Continental it is thought possible that the International Airlines (TXIA). Airlines and Western Airlines. airline may have decided to sell

sion that the merger would Both TXIA and Pan Am have unacceptably reduce competi-

Texas International, which the small regional carrier may had planned to offer a mix of end's decision by the Civil resources to win a bidding contest with Pan Am. Therefore, The reasoning is as follows: out with the shares trading at

At this price, TXIA could realise, a gain of around \$43m because it purchased its stock

Mixed fortunes for airlines

BY OUR FINANCIAL STAFF

PAN AM's net carnings for the second quarter of 1979 declined from \$46.2m or 56 cents a share to \$37.1m or 42 cents a share on revenues up from \$53.5m to \$607.6m. Not income for the first half was \$28.2m or 38 cents a share against \$22.1m or 41 cents,

from revenues of \$1.1bn com-Pan Am said the fuel costs rose by 27 per cent in the quarter. Total operating expenses roseby 13.8 per cent, while operating revenues rose

9.8 per cent.

AIRLINES WESTERN reported a jump in net income for the second quarter from \$5.41m to \$14.01m, or 39 cents to \$1.03 a share. But the first-half figure was down from \$32.2m or \$2.45 a share to \$26.67m or \$1.96 a share. Second quarter sales revenues moved ahead from \$201.9m to while first-half advanced from revenues

\$394.1m to \$451.9m. AIRLINES EASTERN reported record second quarter carnings of \$26.1m which comfortably exceeded the previous high of \$24.2m established in the same quarter last year. Per share earnings were 99 cents based on 24.9m outstanding shares compared with \$1.15 based on 19.9m shares outstanding.

Operating revenues creased from \$599.9m to \$726.2m following an 18 per cent increase in passenger

The airine's six-month profits fell from \$43.7m ast year

Improved margins at Xerox

BY OUR NEW YORK CORRESPONDENT

A SIGNIFICANT improvement revenues. in profit margins was indicated

cent over the past decade and 'a 28 per cent increase over last even in the first quarter of this year or \$286.6m or \$3.56 per half results were "essentially year growth in operating profits share on a 16 per cent revenue in line with our plan fo rthe not match growth in increased to \$3,28bn.

However, net income in the yesterday by Xerox Corpora- second quarter rose 20 per cent tion when it reported record to \$152m or \$1.90 per share on a revenue increase of 16 per The company's margins have cent to \$1.71bn. This helped been squeezed by about 25 per carry six month total profits to

A major contributary factor in-the second quarter performance was a 27.5 per cent in-creuse in sales of copiers and duplicators, supplies and other Xerox products. A spokesman for the company

said yesterday that the first

* FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on July 24

Alon Mountan VIA OL G1	10	98 96'; -U', -1', 10.28	
Avce 0/5 Cap. 104 87	40	87's 87's -0's -0's 10.75	
Bayer Int. F. XW 74 89	20J	831, 831, -61, -01, 10.03	
CECA 94 84-99	50	98 98°, -0°, -1°, -1°, 1°0.22° 83 85 - +0°, 1°2.10° 87°, 87°, -0°, -0°, 1°0.75° 83°, 83°, -0°, -0°, 1°0.03° 94°, 94°, -0°, -0°, 1°0.00° 97°, 98 -0°, -0°, 1°1.08° 97°, 98 -0°, -0°, 97°, 97°, 98°, -0°, 1°0.11°	
Cunada 9 83	100	37-1 58-2 - 0'1 - 0'1 11.08 57-1 58 - 0'1 - 0'1 11.08 58-1 58-1 58-1 58-1 58-1 58-1 58-1 58-1	
Canada 94 98	350	871, 98 -01, -01, 9,73	
Canadian Pacific 93, 89	60	971, 98 -01, -01, 10.11	
Center Hawley 5% 86 .	E0	96', 97 -0', -0', 10.43	
Continental Gro 94 86	100	97/2 97/2 - 01/2 - 01/2 10.12	
Dome Petroleum 10 94	50	964 964 - 04 - 04 10.47	
Dominion Bridge 104 84	30	991, 100 — — 10.30	
Dow Chem. 0/8 94 94	200	974 974 -01 -01 9,04	
EIB Nº 65	100	96's 98 -0's -0's 10.13	
21B 97 87	150	984 1004 -04 -04 10.11	
EIB 10 99	150	994 1004 -04 -04 10,25	
Export Dv. Con. 9.83 84	150	100, 100, +0, -0, 9.91	
Export Dv. Cpn. 94 84	100	967, 97%, -0%, -0%, 10.03	
Finland 95 89	100	97°- 98°- ~0°0°- 10.12	
GTE Finance 91, 84	50	97 97 - 04 - 04 10.26	
GTE Finance 94 88	55	861 861 - Ula - Ula 10.47	
General Motors 91, 25	100	97's 97's -0's -0's 9.73	
Gould Int. Fin. 8% 80	125	701. en =01. =07. 10.16	
Hudson Bay Co 10 94	60	924 984 -04 -1 10.12	
ITT Antilles 94 89	75	96% 96% -0% -0% 10.15	
Kennecott Int. 91, 85	100	94% 95% -01 -14 10.62	
Manitoba 9's 88	100	573. 481 01 01. 9 61	
New Brinswick 93 94	75	96 96 0 - 0 10.24	
Newfoundland 10 94	50	987, 994, -01, -01, 10,10	
Norsk Hydro 9% 94	60	941, 96 -01, -01, 9.53	
Norway 9% 84	150	100 100, -0, -0, 9,4	
Nova Scotts Pur 91. 89	50	834 834 - 04 - 04 10.00 344 847 - 04 - 04 10.00 344 847 - 04 - 04 11.08 344 847 - 05 - 04 11.08 344 847 - 05 - 05 10.11 354 95 - 05 - 05 10.12 354 95 - 05 - 05 10.12 354 95 - 05 - 05 10.43 354 95 - 06 - 05 10.47 351 96 - 07 - 05 10.47 351 96 - 07 - 05 10.47 351 100 - 10.30 374 974 - 05 - 05 10.11 364 1005 - 07 - 05 10.11 364 1005 - 07 - 05 10.11 364 1005 - 07 - 05 10.11 364 1005 - 07 - 05 10.11 364 1005 - 07 - 05 10.11 364 975 - 05 - 05 10.12 377 877 - 05 - 05 10.12 377 877 - 05 - 05 10.12 377 877 - 05 - 05 10.17 377 877 - 05 - 05 10.17 377 877 - 05 - 05 10.17 377 877 - 05 - 05 10.17 377 877 - 05 - 05 10.17 377 877 - 05 - 05 10.17 377 877 - 05 - 05 10.17 377 877 - 05 - 05 10.15 365 965 - 05 - 07 10.66 367 855 - 07 - 07 10.66 367 855 - 07 - 07 10.15 378 857 - 05 - 05 10.15 379 857 - 05 - 05 10.15 379 857 - 05 - 07 10.66 371 857 - 05 - 07 10.66 371 857 - 05 - 07 10.66 371 857 - 05 - 07 10.66 371 857 - 05 - 07 10.15 372 857 - 05 - 07 10.66 373 857 - 07 - 07 10.15 374 857 - 07 - 07 10.15 375 857 - 07 - 07 10.15 378 857 - 07 - 07 10.17 379 857 - 07 - 07 10.17 379 957 - 07 - 07 10.17 379 957 - 07 - 07 10.17 379 957 - 07 - 07 10.17 379 957 - 07 - 07 10.17 379 957 - 07 - 07 10.17 381 957 - 07 - 07 10.17 381 957 - 07 - 07 10.17 371 957 - 07 - 07 10.17 371 957 - 07 - 07 10.17 371 957 - 07 - 07 10.17 371 957 - 07 - 07 10.17 371 957 - 07 - 07 10.17 371 957 - 07 - 07 10.17 371 957 - 07 - 07 10.17 371 957 - 07 - 07 10.17 371 957 - 07 - 07 10.17 371 957 - 07 - 07 10.17 371 957 - 07 - 07 10.17 371 957 - 07 - 07 10.17 371 957 - 07 - 07 10.17 371 957 - 07 - 07 10.17 371 957 - 07 - 07 10.10 371 977 - 07 - 07 10.10 371 977 - 07 - 07 10.10	
Occidental Fin. 104 84	EO	1991, 993, -01, -01, 10.37	
Orient Leasing 91, 86	25	195 951 -012 -07 10.49	
Pennwalt O/S F Sh 84	25	981, 981, -01, -01, 10,14	
Persion Cap. 84 84	60	+97 971 -01 -01 10 75	
Duebac Hydro 10 98	76	951 961 -01, -01, 10.49	
Redland Fin. XW 91, 91	25	1911, 921, +01 - 10.72	
Seers Roobuck 9 82	150	97', 98', -0', -0', 9.93	
Stockholm 94 84	100	981. 9810101. 10.00	
Sweden 91 86	200	98 9812 -012 -01 10.10	
Unilever NV 914 87	100	961 961 -01 -01 9.88	
Warner-Lambert 9 84	100	864 874 -04 -03 8.78	
DEUTSCHE MARK		Change on	
STRAIGHTS	issued	Bid Offer day week Yield	
AMBOUGAN EX. INC. 51: 67	411	ten steer with miles first	
According til 98	150	en en - m - m e 15	
Argentina 61, 88	150 150	891, 897, -01, -01, 8.15 941, 941, -01, +01, 8.34	
Argentina 6'2 88 Argentina 7'2 89	150 150 150	891, 867, -07, -01, 8.15 941, 941, -01, +01, 8.34 901, 911, +01, +11, 6.96	
Argentina 6'2 86	150 150 150 100	891, 867, -07, -04, 8.15 841, 841, -01, +01, 8.34 901, 911, +01, +11, 6.96 941, 951, +01, - 8.27	
Argentina 6': 88	150 150 150 100 100	891, 892, -03, -03, 8.15 941, 942, -03, +03, 8.34 902, 913, +03, +12, 6.96 941, 961, +04, - 8.27 973, 98 - +03, 7.09 93, 961, +03, 8.13	
Argantina 8½ 88 Argantina 7½ 89 Austria 5½ 90 Banco Desarrollo 7½ 85 Barclays O'seas 6½ 89 Bq. Ext. Algene 7½ 85 Brazil 7½ 87	150 150 150 100 100 100 150	83', 89', -0', -0', 8.15 94', 94', -0', +0', 8.34 90', 91', +0', +1', 8.56 94', 95', +0', - 8.27 97', 98 - +0', 7.09 95-, 96', +0', +0', 8.13 96', +0', -0', 7.88	
Argentina 61-2 88	150 150 150 100 100 100 150 150	881, 887, -01, -01, 8.15 941, 942, -01, +03, 8.34 901, 911, +01, +11, 6.96 941, 951, +01, -11, 7.09 951, 961, +01, +02, 3.13 981, 961, +01, -01, 7.88 911, 962, +01, -01, 7.88	
Argentina 812 88	150 150 150 100 100 100 150 150	881, 897, -01, -01, 8.15 841, 942, -01, +03, 8.34 903, 911, +03, +14, 6.96 841, 951, +04, - 8.27 971, 98 - +05, -0, 98 95-1, 961, +04, +02, 3.13 961, 967, +01, -04, 7.88 911, 921, +021, +04, 7.25 973, 983, - +06, 7.25	
Argentina 8 ¹ 2 88	150 150 150 100 100 100 150 150 150 150	831, 897, -07, -03, 8.15 834, 942, -07, +03, 8.34 907, 917, +03, +17, 6.96 941, 951, +04, - 8.27 978, 98 - +07, 7.09 95-1 961, +04, +02, 8.13 965, 967, +01, -04, 7.88 912, 922, +03, +04, 7.21 571, 982, - +03, 7.25 511, 917, +04, +2-, 7.12 921, 93, +04, -04, 7.35	
Argentina 81- 88 Argentina 7- 89 Argentina 7- 89 Austria 53- 90 Banco Desarrollo 7- 85 Barclays 0'seas 64- 89 Bq. Ext. Algene 74- 85 Brazil 7- 87 Brazil 7- 87 Cocchegon Cty 5-90 Council of Eur 61- 88 Cocuncil of Eur 61- 88 Council of Eur 7- 89	150 150 150 100 100 100 150 150 150 150	881, 887, -07, -04, 8.15 944, 944, -01, +04, 8.34 901, 911, +02, +14, 6.96 941, 951, +04, -14, 6.96 941, 951, +04, -0, 7.09 957, 98+01, 7.09 957, 981, +01, +04, 7.21 974, 981, -01, 7.21 974, 981, -01, -07, 7.25 911, 911, +04, +2, 7.25 921, 93, +04, -04, 7.35 981, 991, +04, -04, 7.35	
Argentina 81-2 88	150 150 150 100 100 100 150 150 150 150	881, 887, -0% -0% 8.15 944, 944, -0% +0% 8.34 904, 914, +0% +1% 6.96 944, 954, +04 - 8.27 974, 98 - +0% 7.09 95-2, 964, +04, +0% 3.13 984, 966, +0% -0% 7.25 914, 984, - +0% 7.25 917, 984, - +0% 7.25 917, 917, +0% -0% 7.35 985, 994, +0% -0% 7.35 985, 994, +0% -0% 7.35 985, 994, +0% -0% 7.35 985, 994, +0% -0% 7.35	
Argentina 812 88	150 150 150 100 100 150 150 150 150 150	\$31, \$374, -01, -01, 8.15 \$414, \$424, -01, +03, 8.34 \$01, \$11, +01, +11, 6.96 \$41, \$514, +04,	
Argentina 81- 88 Argentina 71- 89 Argentina 72- 89 Anacria 53- 90 Banco Desarrollo 72- 88 Barclays O'seas 61- 89 Bq. Ext. Algene 74- 88 Brazil 72- 87 CECA 6- 88 CECA 7- 91 Copenhagen City 6- 90 Council of Eur. 72- 89 Denmark 52- 85 Denmark 61- 89 EIB 61- 91 EIR 71- 89	150 150 150 100 100 150 150 150 150 150	831, 891, -01, -03, 8.15 841, 842, -01, +03, 8.34 901, 911, +03, +11, 6.96 841, 951, +04, - 8.27 971, 98 - +04, -0, 8.13 961, 961, +04, 8.13 961, 961, +04, 7.21 971, 981, - +04, 7.21 971, 981, +04, 7.25 911, 911, +04, +04, 7.27 1841, 951, +04, +07, 7.23 941, 943, +04, +07, 7.23 941, 943, +04, +07, 7.23	
Argentina 81- 88 Argentina 77, 89 Argentina 77, 89 Austria 53- 90 Banco Desarrollo 72, 88 Barclays 0'seas 64- 89 Bq. Ext. Algene 74- 86 Brazil 72- 87 Copenhagan Cty 6-90 Council of Eur 61- 89 Denmark 61- 89 Denmark 62- 88 Denmark 62- 89 Denmark 62- 81 EIB 61- 81 EIB 71, 89 EIB 71, 89	150 150 150 100 100 100 150 150 -75 130 100 100 200 200	881, 887, -07, -04, 8.15 944, 942, -01, +03, 8.34 903, 913, +03, +14, 6.96 941, 951, +04, -0, 8.77 974, 98, -01, +02, 8.13 951, 967, +03, -04, 7.21 973, 987, -07, -07, 7.25 911, 912, +03, +04, 7.21 921, 93, +03, -04, -0, 7.25 912, 93, +03, -04, -0, 7.25 921, 93, +03, +04, -0, 6.94 1941, 951, +04, +07, -7.23 1944, 951, +04, +07, -7.23 1007, 1013, +03, +03, 7.23 1007, 1013, +03, +03, 7.23 944, 943, -04, +03, 7.23	
Argentina 81-2 88	150 150 150 100 100 100 150 150 -75 130 100 200 200 100	\$81, \$87, -01, -01, 8.15 \$41, \$42, -01, +03, 8.15 \$41, \$42, -01, +03, 8.34 \$01, \$11, +01, +11, 6.96 \$41, \$51, +04, -1, 8.27 \$71, \$8, -10, -01, 7.88 \$12, \$67, +01, -02, 7.21 \$71, \$81, -10, -02, 7.21 \$71, \$81, -10, -02, 7.21 \$71, \$81, -10, -02, 7.21 \$71, \$81, -10, -02, 7.21 \$21, \$92, +03, +02, 7.21 \$21, \$93, +03, +03, 7.25 \$81, \$93, +03, +04, -05, 7.27 \$341, \$55, +03, +04, 6.24 \$1941, \$55, +03, +04, 6.24 \$1941, \$55, +03, +04, 7.27 \$342, \$63, +03, -04, 7.23 \$343, \$63, -03, -04, 6.71	
Argentina 81, 88 Argentina 71, 89 Argentina 72, 89 Argentina 72, 89 Banco Desarrollo 72, 86 Barclays O'seas 92, 89 Bq. Ext. Algene 74, 86 Brazil 72, 87 CECA 6 88 CECA 7 91 Copenhagen City 6 90 Council of Eur. 72, 88 Denmark 52, 85 Denmark 61, 89 Ele 61, 91 Elle 71, 89 Eletrobras-Brazil 7 87 Eurofima 62, 88	150 150 150 100 100 100 150 150 150 100 10	881, 887, -0%, -01, 8.15 881, 894, -0%, +04, 8.34 904, 91+ +02, +14, 6.96 941, 954, +04, -0, 8.27 974, 98	
Argentina 81- 88 Argentina 77, 89 Argentina 77, 89 Argentina 78, 89 Bancto Desarrollo 72, 86 Barclays O'seas 83- 89 Bq. Ext. Algene 74, 86 Brazil 72- 87 CECA 6- 88 CECA 7 91 COpenhagen City 6- 90 Council of Eur 61- 88 Council of Eur 61- 89 Denmark 67, 89 E18 61- 91 E18 77, 89 E18 61- 91 E18 77, 89 E18 62- 91 E18 77, 89 E18 63- 91 E18 77, 89 E18 63- 91 E18 77, 89 E18 63- 91 E18 77, 78 Eurofima 62- 88 Megal Fin. 7- 89 Marchiel Chem 61- 84	150 150 150 100 100 150 150 150 150 100 10	881, 887, -01, -01, 8.15 941, 941, -01, +03, 8.15 941, 951, +03, +11, 6.96 941, 951, +03, +12, 6.96 951, 98, -40, -02, 8.13 951, 98, -40, -02, 7.21 971, 981, -01, +02, 7.21 971, 981, -01, +02, 7.21 971, 981, -01, -7.25 971, 981, -01, -7.25 911, 981, -01, -7.25 912, 93, -01, +02, 7.27 1941, 951, +04, +02, 7.27 1941, 951, +04, +07, 7.23 1001, 1011, +04, +05, 7.33 981, 997, -04, -07, 7.39 981, 997, -04, -07, 7.39 981, 997, -04, -07, 7.39 981, 997, -04, -07, 7.39	
Argentina 81- 88 Argentina 77, 89 Argentina 77, 89 Argentina 77, 89 Austria 53- 90 Banco Desarrollo 72- 88 Barclays O'seas 64- 89 Bq. Ext. Algene 74- 86 Brazil 72- 87 Copenhagan City 6- 90 Council of Eur 61- 88 Cecca 7- 91 Copenhagan City 6- 90 Council of Eur 61- 89 Denmark 62- 85 Denmark 62- 85 Denmark 64- 85 Denmark 64- 81 EIB 71, 89 EiB 61- 91 Eigentina 64- 85 Mitsubishi Chem. 63- 84 Meya Jealond 64- 87	150 150 100 100 100 150 150 150 100 100	Change on Side Offer day week Yield 54 542 402 403 615 815 843 844 -01 +03 +14 685 815 844 844 -01 +03 +14 685 813 813 813 813 813 813 813 813 813 813	
Argentina 81- 88 Argentina 71- 89 Argentina 71- 89 Argentina 71- 89 Austria 51- 90 Banco Desarrollo 72- 88 Barclava 01-sea 61- 89 Bq. Ext. Algene 71- 86 Brazil 71- 87 Copenhagan City 6- 90 Council of Eur 61- 88 CECA 7- 91 Copenhagan City 6- 90 Council of Eur 61- 89 Council of Eur 61- 89 Denmark 61- 87 Denmark 61- 89 Denmark 61- 81 ElB 71- 89 ElB 71- 89 Eletrobras- Brazil 7- 87 Eurofina 61- 87 Megal Fin. 7- 89 Mitsuhshi Chem. 61- 84 New Zasland 61- 87	100	394 394 -04 +04 6.62	
Argentina 81, 88 Argentina 71, 89 Argentina 72, 89 Argentina 73, 89 Banco Desarrollo 72, 86 Barclays O'seas 92, 89 Bq. Ext. Algere 74, 86 Brazil 72, 87 CECA 6 88 CECA 7 91 Copenhagen City 6 90 Council of Eur. 72, 89 Denmark 52, 85 Denmark 61, 89 El8 61, 91 El8 71, 89 Eletrobras Brazil 7 87 Eurofima 62, 89 Megal Fin. 7 89 Mitsubisti Chem. 62, 84 New Zealand 64, 67 Nippon Kokan 62, 84 Nippon Kokan 63, 84 Nippon Kokan 63, 84	100 100	994 994 -05 +05 6.62 934 935 +04 +1 6.64	
Argentina 81- 88 Argentina 77, 89 Argentina 77, 89 Argentina 78, 89 Bancto Desarrollo 72, 86 Barclays O'seas 83, 89 Bq. Ext. Algene 74, 86 Brazil 72- 87 CECA 6 88 CECA 7 91 CECA 6 88 CCOneni of Eur 61- 88 CCOnneil of Eur 71- 88 Denmark 52, 85 Denmark 67, 89 EIB 61- 91 EIB 77, 89 EIB 61- 91 EIB 77, 89 Mitsubishi Chem. 62- 87 Nippon Kokan 61- 87 Nippon Kokan 61- 87 Nippon Kokan 61- 87 Nippon Tel 8 7- 51- 87 Nordic Inv. Bk. 63- 84 Messet Venne 71, 81	100 100 60	994 994 -05 +05 6.62 934 935 +04 +1 6.64	
Nippon Kokan 6½ 84 Nippon Tel 8 T. 5½ 87 Nordic Inv. Bk. 6¼ 86 Norges Komm. 7½ 91	100 100 60 150	994, 994, -01, +01, 6.62 931, 935, +01, +1 6.64 951, 961, +01, +02, 7.05 1027, 1031, +01, +03, 7.35 1011, 1021, -04, +07, 5.77	
Nippon Kokan 6½ 84 Nippon Tel 8 T. 5½ 87 Nordic Inv. Bk. 6¼ 86 Norges Komm. 7½ 91	100 100 60	994, 994, -01, +01, 5.62 931, 932, -01, +1 5.64 951, 961, +01, +03, 7.06 1021, 1031, +01, +03, 7.35 1011, 1021, -01, +02, 7.35 1011, 1021, -01, +02, 5.77 931, 941,, +01, 5.77	
Nippon Kokan 6 ¹ 2 84 Nippon Tel 8 T. 5 ¹ 2 87 Nordic Inv. Bk. 6 ¹ 4 86 Norgas Komm. 7 ³ 4 91 Norway 6 ¹ 4 84 Occidental 6 ³ 4 90 OKB 6 ³ 7 88	100 100 60 150 203 150 100	994 994 -014 +03 6.82 931 832 +014 +1 6.84 951 964 +03 +03 7.05 1027 1034 +04 +07 7.05 1071 1024 -04 +07 5.77 931 944	
Nippon Kokan 6 ¹ 2 84 Nippon Tel 8 T. 5 ¹ 2 87 Nordic Inv. Bk. 6 ¹ 4 86 Norgas Komm. 7 ³ 4 91 Norway 6 ¹ 4 84 Occidental 6 ³ 4 90 OKB 6 ³ 7 88	100 100 60 150 203 150 100 40	994, 994, -04, +04, 6.62 934, 835, +04, +1 6.64 935, 935, +04, +03, 7.35 1024, 1034, +04, +03, 7.35 1014, 1024, -04, +07, 5.77 931, 944,	
Nippon Kokan 61, 84 Nippon Tel 8 T. 51, 87 Nordic Inv. Bk. 61, 86 Norges Komm. 72, 91 Norway 61, 84 Occidental 61, 90 OKB 62, 88 OKB 6 87 Tokyo Flec Pwr. 61, 85	100 100 60 150 203 150 100 40	994, 994, -01, +01, 6.62 931, 835, +01, +1 6.64 951, 865, +01, +03, 7.35 1021, 1031, +01, +03, 7.35 1011, 1021, -01, +03, 7.37 961, 971,+01, 8 94 1922, 931,+01, 8 94 1922, 934,+01, 6.73 981, 99 +01, +03, 6.73	
Nippon Kokan 61, 84 Nippon Tel 8 T. 51, 87 Nordic Inv. Bk. 61, 86 Norges Komm. 72, 91 Norway 61, 84 Occidental 61, 90 OKB 62, 88 OKB 6 87 Tokyo Flec Pwr. 61, 85	100 100 60 150 203 150 100 40 200 150	994 994 -014 +05 6.62 931 932 -014 +1 6.64 951 956 +04 +10 7.05 1027 1031 +014 +03 7.35 1012 1021 -04 +07 5.77 931 941	
Nippon Kokan 61, 84 Nippon Tel 8 T. 51, 87 Nordic Inv. Bk. 61, 86 Norges Komm. 72, 91 Norway 61, 84 Occidental 61, 90 OKB 62, 88 OKB 6 87 Tokyo Flec Pwr. 61, 85	100 100 60 150 203 150 100 40	994, 994, -01, +01, 6.62 931, 835, +01, +1 6.64 951, 865, +01, +03, 7.35 1072, 1031, -01, +03, 7.35 1011, 1021, -04, +07, 5.77 931, 941,+01, 7.57 965, 971,+01, 7.57 1921, 931,+01, 7.23 982, 99 +01, +03, 6.73 90 901, -01, +07, 7.23 94 941, +03, +11, 7.11	
Nippon Kokan 61, 84 Nippon Tol 8 T. 51, 84 Nippon Tol 8 T. 51, 84 Norges Komm. 73, 91 Norway 61, 84 Occidental 62, 90 OKB 68 78 Tokyo Elec. Pwr. 61, 86 Venezuela 61, 90 World Bank 63, 88 World Bank 73, 91	100 100 60 150 203 150 100 40 200 150 402	994, 994, -01, +01, 6.62 931, 835, +01, +1 6.64 951, 864, +01, +03, 7.06 1027, 1031, +01, +03, 7.35 1011, 1021, -04, +07, 5.77 931, 941,+01, 7.57 965, 971,+01, 7.57 1921, 931,+01, 7.23 982, 99, +01, +02, 6.73 90, +01, +02, 7.53 94, 947, +03, +11, 7.11 1011, 1011, +01, +01, 7.58	
Nippon Kokan 6½ 84 Nippon Tel 8 T. 5½ 87 Nordic Inv. Bk. 6½ 86 Norges Komm. 7½ 91 Norway 6½ 84 Occidental 6½ 90 OKB 62 88 OKB 6 87 Tokyo Elec. Pwr. 6½ 85 Venezuela 6½ 90 World Bank 7½ 91 SWISS FRANE	100 100 60 150 203 150 100 40 200 150 402 400	994, 994, -01, +01, 6.62 931, 835, +01, +1 6.64 951, 864, +01, +03, 7.35 1021, 1031, +01, +03, 7.35 1011, 1021, -01, +03, 7.35 1011, 1021, -01, +07, 7.77 961, 971, -+01, 894 1921, 931, -+01, 7.23 981, 99, +01, +01, 6.73 90, 901, -01, +02, 7.63 94, 941, +03, +11, 7.41 1011, 1011, +01, +01, 7.58 Change on	
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OTHER STRAIGHTS Insued Bid Office day week yield U.S. Filter purchase Italians I. bans of SDR Avco Fin. 104, 86 CS Es. Dev. Cpn. 10 84 CS Es. Dev. Cpn. 10 84 CS Fat. Can. Inv. 10 54 CS Hudson Bay 104, 83 CS Unused 104 80 CS R. Bk. Canada 10 84 CS Copenhagen 84, 91 EUA Komm. Inst. 74, 93 EUA SDR France 84, 94 EUA SDR France 94, 85 FF I'r. 14 Cdbk. 84 84 FI New Zealand 64 84 FI New Zealand 64 84 FI Norway 84, 84 FF Norway 84, 84 FF Saint-Gobarn 94, 87 FF Total 01 94, 87 FF Total 01 94, 87 FF Total 01 94, 87 FF Citicors 10 93 £ FIR 111, 81 £ FIR 112, 84 £ FIR 113, 81 £ FIR 114, 81 £ FIR 115, 86 £ FIR 115, 87 £ FIR 115, 88 £ FIR 115, 87 £ FIR 115, 88 £ FIR FLOATING RATE NOTES BY SPREAD BY STATE BY FLOATING RATE Eru ris. Co. 67: 89 BNDE 6 88_____ 3/1, 2/18 11.19 374, 22/9 11.19 372, 22/9 11.19 381, 22/9 11.19 381, 12/9 11.19 381, 13/10 11.19 381, 13/10 11.19 381, 13/10 11.19 381, 13/10 11.19 381, 13/10 11.19 381, 13/10 11.19 381, 13/10 11.19 381, 13/10 11.19 381, 13/10 11.19 381, 13/10 11.19 381, 13/10 11.19 381, 13/10 11.19 381, 13/10 11.58 381, 11/10 11.58 Bo. E. d'Ala. 44 89 SF 94 57 CONVERTIBLE Crev. Crev. Crev. BONDS date price with the control of the control of the crev. 98 18/12 4% Bid Offer day 8.4 54½ - 1½ 198 96½ - 0½ 105½ 106 - 0½ 199 98½ + 0½ 101½ 102 - 0½ 122 33 - 0½ 123 39 + 0½ Tokyu Ld. Cp. 4 86 DM 4/79 433 483 44 +0-2 3246 * No information available—previous day's price. } Only one-market maker supplied a price. Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier. Floating Rate Notas. Denominated in dollars unless otherwise indicated. Coupon shows as minimum. C.dite —Ostenext coupon becomes effective. Spread = Margin above six-month offered rats († three-month) for U.S. dollars. C.cpn = The current coupon. C.yid = The current yield. Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rats fixed at issue. Prom = Parcentance premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Anderson Clayton makes \$202m bid

By Our Financial Staff

ANDERSON, CLAYTON, the Houston-based group whose principal business is food and food-related activities but also has a fast-expanding insurance business, has made a \$202m offer for Integon, the Winston Salem insurance group.

Integon said it received an offer from Anderson, Clayton to acquire its oustanding common stock at \$32.50 a, share cash. Anderson will not proceed with the acquisition unless Integon agrees to accept.
Mr. J. E. Collette, Integon's

chairman, said integon's policy of remaining an independent publicly-held company continues and that it seeks no takeover proposals. But the company recognises its responsibilities to shareholders and others and the offer will be considered.

Dominion Bridge loan

DOMINION BRIDGE, the struc-

tural steel and fabricating arm of the Canadian Pacific group, has completed a US\$125m financing through its U.S. subsidiary, AMCA International.

The financing is an eight-year revolving credit with five U.S. and two Canadian banks with the interest pegged to the American prime rate. It is understood that at least part of the proceeds will be used for a takeover in the U.S. In the first half of this year.

Dominion Bridge's earnings rose by 34 per cent to US\$20m, or from US\$1.4 to US\$1.88. on sales of US\$442m against US\$416m last time.

NY Times gain New York Times Company

lifted first-half net income from \$15.25m or \$1.31 per share to \$17.08m or \$1.40 per share on revenue of \$311.1m against \$225.3m and has raised its quartery dividend from 20 cents cents, Reuter reports from New York.

Schlitz in the red

Jos. Schlitz Brewing Company incurred a second quarter loss of \$1.16m or 4 cents a share compared with a profit of \$10.17m on 35 cents a share and is again passing its quarterly dividend, Regier reports from New York. The last quarterly dividend was paid in July, 1979. Second quarter sales fell from \$271.5m to \$261m.

Riley Company for \$113m or \$63 per share, Reuter reports from New York, Of the purchase price, \$59m will be cash and \$54m in notes. For the nine months ended March 31, Riley had sales of \$186m and net income of \$6.5m.

UV disposal

UV Industries has agreed to sell its oil and gas properties to Tenneco Oil, a subsidiary of Tenneco, for about \$135m,

Increased oil prices boost Sohio in second quarter

BY DAYID LASCELLES IN NEW YORK

ported a 70 per- cent increase in earnings for the second quarter, from \$118.4m or \$1.03 per share to \$201.4m or \$1.68 Sales rose 37 per cent to

\$1.82bn.

At the six months stage, earnings totalled. \$368.9m against \$160m, or \$3.07 a share compared with \$1.51 a year ago. Sales were \$3.47bn compared with \$2.36bn.

Mr. Alton Whitehouse, the chairman, said that higher capacity. prices on a higher volume of Alaskan oil were the main second quarter the \$57.3m it had Coast.

BY OUR FINANCIAL STAFF

STANDARD OIL (Indiana)

boosted half-year earnings by

36 per cent from a correspond-

ing \$567.7m or 3.88 a share to

\$750.3m or \$5.13 a share on

revenues 14 per cent up at.

Earnings of its overseas petro-

eum operations rose 47 per

cent to \$205m while domestic

petroleum profits increased by

Overseas exploration and pro-

duction net went up 2 per cent to \$145.1m while downstream

overseas operations, reflecting

16 per cent to \$425.3m.

BY ANDREW FISHER

anti-trust suit settlements.

After last year's \$1.57m net

loss, which compared with 1977 profits of \$2.96m—well down on previous years' levels—Alton is

\$4.69m on sales up from \$261m

Alton's 1978 results were alleged

company in which one of Ire- cartons. land's major industrial Certain

companies, Jefferson Smurfit, is also filed against the industry taking control, expects a sharp are still outstanding, although

earnings recovery this year Smurfit's chief operations after the 1978 loss caused by director, Mr. Howard Kliroy,

forecasting 1979 net income of until early 1980, he added.

quarter last year.

line is being raised from its cratic and environmental depresent 1.29m barrels a day to lays. 1.36m by the end of the year achieved by raising the mech-

STANDARD OIL of Ohio, BP's reasons for the sharp rise. Net spent preparing for the Pacter U.S. subsidiary, yesterday reproduction from the North pipeline, which it was forced ported a 70 per cent increase Slope averaged 549,100 barrels to abandon earlier this year. a day, up 15,500 from the second. The pipeline would have piped uarter last year.

Alaskan crude from Los Sohio also reported that the Angeles to Texas, but the prothroughput of the Alaska pipe ject was stalled by bureau-

> Mr. Whitehouse said that and 1.42m by the end of 1980. West Coast refineries are now The improvements are being able to use more than half of the company's Prudhoe Bay oil, anical efficiency of the pipeline Increased sales on the Westwith more powerful pumps, and Coast during the second quarter not by building on additional resulted in a 5.1m barrel reduccapacity.
>
> Sohio also wrote off in the from ships going to the Gulf

> > Second quarter earnings were

Imperial Oil also had a strong

revenues of C\$\$.08bm com-pared with C\$146m or C\$1.12 a

51 per cent controlling stake at a total cost of nearly, \$26m.

Smurfit earlier purchased 27

from the Williams Companies

ment of this deal, Alton shares

stood at \$11, later moving up to

more than \$17 before dealings were halted last month pending

Mr. Kilroy said he did not

Half-times earnings of

of \$62.4m for the half-year, compared with a loss of \$2.8m

Alton Box Board sees recovery

ALTON BOX BOARD, the U.S. violations in the sale of folding by Smurfit to buy just over 24 company in which one of Ire- cartons.

said: "We do not regard this

towards the end of this year and

their verdict will not be known

Alton also received a \$143,500

dragged down by the after-tax corrugated containers.

think Smurfit was paying too provision of \$3.55m for the proposed settlement of a class casts are contained in the recovery potential and a book action concerning anti-trust formal document for the offer value of \$35 a share.

price-fixing ___ of

as a serious risk."

Certain individual actions

products, had a profit of \$59.9m a loss of 24 cents. Revenues against a loss of \$2.1m in the advanced from \$450m to \$557m.

included a \$10m charge for the also a record at \$37.7m or \$2.40

loss of the tanker Amoco Cadiz a share, against \$8.1m or 51

Pennzoil soared from \$54.34m, second quarter raising net earn equal to \$1.57 a share, to ings from C\$74m or 57 cents a \$104.19m or \$3.08 a share on share to C\$108m or 83 cents a

equal to \$1.57 a share, to second quarter raising first earn \$104.19m or \$3.08 a share on share to C\$108m or \$3 cents a revenues up from \$712.6m to share on revenues of C\$1.54bn, \$926.7m.

Commonwealth Oil and Refin- Six-month earnings were

ing turned in a record net profit. C\$157m or C\$1.51 a share, on

for the first six months of 1978, share on sales of C\$2.63hn in

is a serious risk." of Oklahoma. Early last The actions will be heard November before the announce-

fine last year in connection with news of the latest offer.

cents a share..

which

for Allegheny Airlines was postponed by the lead mana-ger. Kuhn Loeb Lehmann Brothers, because of the deterioration in market con Growth at Indiana Standard

The \$100m isue four Statoll, which was priced at par last week to yield 9.625 per cent, was bid 98 by the lead manager, Deutsche Bank on Monday and 97 yesterday. At 971 this bond yields 10.07 per tent, a 35 basis points in crease in yield in less than

a week.

The uncertainty surrounding the dollar and the tevel at which U.S. interest rates will be a second at the eventually settle is also affecting other sectors of the market. At its monthly meet-ing, the German Capital Markets Sub-Committee decided on a volume of new foreign DM issues amounting to DM 200m. Westdewische Landesbank will bring a borrower to the market later this week, while Dresdier will arrange 1. DM 100m private placement for Sweden at the end of July.

The small volume of new issues came as a surprise to some bankers. It seems that many borrowers believe that they might be able to raise funds in DM more cheaply if they wait a little langer. Yields have come down on foreign and domestic DM bonds this month, but few bankers believe they will come down much further as they do not foresee a drop in German interest rates. Another fear borrowers express; could appreciate strongly again were the U.S. dollar to suffer any sharp fall in the secondary market, DM -

attractive to investors than foreign ones: the reason is that the yield differential; between the two types of paper has widened recently to about \$ of a point on seven or 10-year paper today. rading settivity remains brisk in the foreign DM sector, however: prices moved up by about 1 point across the board yesterday, with the recent issue for Brazil being quoted at 991-100. The DM 100m issue for the Asian Development Bank, which

domestic bonds remain more

In the Swiss franc sector. prices remain very firm with buying activity prompted more by currency than yield considerations. Indeed, with the amoual rate of inflation per cent in Switzerland and the coupon on most recent issues standing at 41-44 per cent, the yield available to investors is not all that

Acquisition lifts Charter profit

BY OUR FINANCIAL STAFF

yesterday reported concern. that results for the second quarter of the year have benefited strongly from the acquisition in May of Carey Energy Corporation. Earnings rocketed from \$4.6m to \$80.6m, or from 22 cents to \$3.31 a share on revenues of \$1.1bn against

carnings primarily to Carey to the previously announced crude oil supply contracts with the ing for the acquisition by supply agreement with National National Oil company of Libya Charter Oil Bahamas of National Transan Oil. agencies report from New York. National Oil company of Libya

CHARTER COMPANY, the oil and the National Oil Company Oil of Libya's claims against of Iran, and to strong markets Grand Bahama Petroleum, for petroleum products both in former Carey Energy subsidiary the U.S. and abroad.

. For the first half, earnings have jumped from \$7.6m to \$80.5m, or from 36 cents to 84, on sales of \$1.61bn compared with \$923.7m last time.

Charter Oil Bahamas' present

contract with National Oil of Libya is effective until at least March, 1980.

Upon acquisition of National Charter and its Bahamian sub- Iranian Oil's entire claim sidiary, Charter Oil Bahamas, Charter Oil Bahamas will enter The company ascribes the have completed a renegotiation into a contract with National increase in both revenues and of the previously announced Iranian Oil for crude oil supply agreement with the National until September, 1980, which Oil Company of Libys, provid- will replace the current interim great.

week by Deutsche Bank, has been very well received.

AME ACF INC

Second quarter 179	F ANDLIETTIES	CHROMALLOY AMERICAN I	DUKE POWER	WALTER KIDDE	- Chitmann land Land
Second quarter 1.5 m 0.3 m 1.5 m 0.3 m 1.5		1979 1978	1979 1978		SHERWIN-WILLIAMS
par share 1.35 1.37 1.39 1.37 1.	econd quarter \$ \$	Revenue 383.3m 339.2m	Revonue	1	
18.7 29.1	persbare 1.36 1.18	Nat profits 10.63m 11.34m	Net profits 59.59m 48.03m	Net promis	Net profits 9.82m 8.1
Second quarter 179 157 158	ix months onue 518.7m 359.Jm	Six menths	Six months	Six months	Circumstant and the second
December 1979 1978 197	profits 23,41m 17,74m	Revenue 742m 634m	Net profits 140 4m 117.23m	Net profits	Revenue
Decond quarter 15		Net per share 1.59 1.27	Net per share 1.52 1.39	Net per share 3.02 > 2.31	Net per share 1.88 1
Second quarter 1978		COMBUSTION ENGINEERING	4-15	LUCKHEED	SQUIBB
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Fig. 16 1-1	prolita 6,09m 4,83m	Revenue 575.8m 623.7m	Revenue 379m 349.6m	Revenue 982h Basm	Revenue 431 Sm 350
## State 18.6 12.5 1.5	in morths.	Net prohts	Net per share 1.67 1.50	Net per share 0.52 1.33	
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1 molitis	econd quarter 1979 1978				Second quarter 7 1979 - 19
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Second quarter 1779 1772 1774 1775	profits 56.96m 40.84m per share 2.03 1.48	Revenue 728.6m 688m	Net profits 17 06m 29.59m	Net profits 4.42m 3.87m	NOT DICORTE
Profest 2,24	ix months	Net per share 0.72 0.65	Six months	Nat per ahare	Six months
Mart per share 1.59	profits 82,42m b.:.23m	Revenue 1.54bn 1.5bn	Net profita 189.3m 199.2m	Revenue 267.4m .241.8m	Nevenue
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Met profits 11,95m 1,175m 1,155m 1,155	econd quarter S S		. 5 5	54gr ever	Second quarter 1979 18
Part	profits 442m 230.7m		Revenue	Revenue , 530m ,353.3m	Revenue
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	per share 3.54 3.19	Revenue 145.7m 107m	Net per share 0.68: 0.65	Har brenten vilation into IAI THE . C D.W.	Net per share
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t months Not profits 24.1m 16.8m Stx months Not profits 25.1m Stx mont	profits 47 9m 38 5m	Revenue 152m 120,1m	Net per share 2.45 2.18	Net per stare 05.4m 32.7m	Net profits 151.3m 117.
78.1m 64.7m Revenue 280.9m 227.3m Net profits 118.76m 99.08m Net profits 98.7m 64.7m 88.7m 28.7m 120 120 120 120 120 120 120 120 120 120	E UNGREES	Net profits 24,1m 15.8m	Six months	Six months	Six months
per share 3.65 3.02 Met profits 41.4m 28m Net per share 4.63 3.94 Net per share 0.69 0.69 0.69 Net profits	prolits 78.1m 64.7m	Revenue 236.9m 227.3m	Net profits 118,78m 99.08m	Net profits 98.7m 68m	Neverther 2:13bn -1.7

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BANKOFA WIER LATION INTITL. COMPANIES and FINANCE

ITALIAN MOTOR INDUSTRY

Strikes hamper earnings growth at Fiat

rise of over 16 per cent in net national wage agreement coverfirst that takes to 1731bn ing Italy's 15m metalworkers
(1950). But largest pricest first that the first half of 1979,
on what prevented by strikes and Landa care rose only 1.6 per
cent from 45.8 per cent a year
biggest motor manufacturer, output of Fiat, Autoblanchi and
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Landa agreement to the first half of the growth of the growth of the Risker and

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This was made emphasically international markets. ciest in a letter to shareholders. Worldwide sales by the Flat yesterday from Sig. Glovanni group, including Lancia and eigness, from the Turin group's per from the same period of the formance in the first ball of previous year to 830,000 positions.

ruption and protest in the domestic

DAT reported a briterly fought run-up to the "beavily penalised by a lack of the growth of the Raisn and

L3,717bn from L1,551bn, agri-cultural vehicles to L452bn (L281bn), steel products to L690bn (L686bn) and components also to L690bn (L594bn). At the same time, the group's ormance in the first has of previous year to 880,000 central financial position has improved, as a result of the According to Sig. Agnesia dis- Fiat's own shere of the restructuring which from the notion and protest in the domestic Italian market, start of 1979 saw Fiat Spa be-

trolling separate companies looking after the various activities of the group.

The net surplus of Fiat Spa at June 30, 1979, stood at 690hn at the end of 1978. The increase of L775bn had enabled a significant growth of intragroup financing, and a cut in medium and long-term indebted-

Sig. Agnelli warned that the intensifying energy crisis, bringing with it both shortages and higher prices for oil, meant that the recent period of strong demand for cars in Europe was problems over diesel fuel supplies could jeopardise the pros ects for heavy vehicles.

To strengthen itself for the tougher times ahead. Flat was stepping up its efforts to lift car output of the group to over 2m units per year. This strategy lay behind the deal with SEAT in Spain and the ten-year agreement with Poland

At the same time, the group's goal was to cut average petrol consumption by Fiat cars by a further 10 per cent in the next few years, after a reduction of that size in the previous decade.

gas turbine operation

AEG Telefunken, the West German electrical group, has announced the first major cutprogramme which is aimed at returning the troubled concern to profitability in the 1980s. The move involves a radical scaling down of the Essen works of AEG-Kanis, a wholly-owned subcidiary specializing in gas tur-bine production

Herr Walter Cipa, AEG chief executive, recently announced lusses of DM 337m (\$186m) for 1978 and said that restructuring the group's weaker divisions.

Under the new measures, the be reduced by 1,300, leaving be reduced by leave a gas tur-bine servicing unit. Some of the redundant workers will be offered employment at other AEG works, including the AEG Kanis steam throine division in Nuremberg, AEG has promised to leave the Nuremberg side of

intest restructuring moves.

The surrent restructuring moves which has also included a slight cuthack to the West past five years and looks nelikely to pay a dividend much

二世 (1967年1975年 1964年 - 1964年 1964年

ALG to cut | French state shipping line maps out long-term rescue plan

BY TERRY DODSWORTH IN PARIS

THE MAIN features of a long- for a slightly lower figure. pagnie Generale Maritime, the French state-owned shipping line, have now been worked out with the government fol at the same time the Govern-lowing a loss of almost ment has given the company FFr 400m (\$91m) last year. Only 18 months to see if it

The aim of the plan is to bring the company back into profit by CGM came into being in 1973 with the merger of Compagnie Generale Transatiantique and Compagnie des Messageries Maritimes, with the state own-

ing 97 per cent of the capital. Since then losses have been mounting steadily, to a net figure of FFr 399m; last year on a turnover of FFr 2.4bn compared with FFr 230m in 1977. This year it will be in deficit again, though it is hoping

The programme of action worked out with the government is less draconian than was feared earlier in the year, but Finally, the government will

Cost savings of about FFr100m are to be generated mainly by cutting the size of the fleet and the workforce, although the company has also promised some productivity improvements. In return for the shake-up in the management of the company,

main commitments. To begin with it will give the management freedom of decision over the ships it buys and sells, the services it runs and the

to the company will be steppe up in order to reduce indebted

also be covering the statutory charges inherited from the initial partners in the merger These involve payments for pen sions, accidents and so on, and will be subsidised to the tune of FFr 53.3m this year and FFr 59.3m in 1980.

The company believes that this programme will be suffi-cient to bring it back into profits as long as the depression in shipping does not deepen. The the Government has made three rise in oil prices, it says, has put up operating costs considerably, but it has compensated for this to some extent by

Italian chemical group halves losses

of the ENI hydrocarbons group; the performance of some of its yesterday reported a rise of subsidiaries especially in the Berlin, factory, come after 48 per cent in consolidated sales fibres sector—the epicentre of several years of problems and for the first six months of 1979, indeed several attempts to coupled with a haiving of the crisis afflicting the entire rationalise the group. AEG has L115hm (\$140m) losses registered in three out of the rered in the same period of last rose to L1,102bm (\$1.36bm), of

ANIC, the chemical subsidiary still "highly unsatisfactory" of the ENI hydrocarbons group, the performance of some of its

which L650bn was accounted for

prices and higher sales volume biggest gain, of 122 per cent to L260bn, followed by plastics and related products (up 48 per cent). But ANIC warned that the higher costs of its petroleum-based raw materials had At the same time, however, by ANIC itself, and L452bn by alraedy started to slow down ex-

the ANIC board described as associated companies. The im-

This announcement appears as a matter of second only.



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BANK OF AMERICA INTERNATIONAL LIMITED

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five-month progress N INCREASE in revenues for

Lufthansa

the first five months of this year hansa. Prospects remain posi-tive, the West German airline

11 DC-10 long-range airliners is not likely to significantly affect earnings, Lufthansa explains in a prospectus pub-lished for the admission of new shares to German stock exof DC-10s had caused some losses, these had been at least partly balanced by a better capacity utilization of other

ong-range aircraft. In the first five months of 1979, Lufthansa's gross revenue from air transport rose 15.6 per cent to DM 1.79bn from DM in the year-earlier period. Revenue from pessenger transport rose 16.5 per cent. freight was up 15.5 per cent but mail transport fell 6.8 per cent in 1978, Lufthansa registered a net profit of DM 42.5m (\$23.4m) against DM 39.7m in 1977. A dividend of DM 3.50 per share

was paid last year.

The Federal and state governments hold about 82.16 per cent of the airline's stock. The rest is in the hands of private investors.

French mail order house sees upturn

By David. White in Paris

LA REDOUTE, the French mail order and retail business, is counting on a 14 to 15 per cent increase in sales this year and a recovery in profits.

Shareholders at the annual meeting at Roubaix in northern based, were told that on current trends parent company sales should rise by at least 14 per cent and net earnings by 5 to 10 per cent in the year ending on February 29. This compares with a slight drop in last year's profit to FFr 44m (\$10.4m). At group level, where net profit fell 4 per cent last year to FFT 39.1m, sales growth was expected to be slower than last year's rate of almost 19 per cent. But profits were likely to improve at a comparable rate of 14-15 per cent. Group sales in 1978-79 were FFr 3.9bn, of which the parent company accounted for FFr 3.1bn.

Investments are being stepped up to between FFr 80m and FFr 70m in the current year from FFr 43m, and an equivalent amount is expected to be spent in 1980-81. La Redoute is expanding its retail interests with a second and a third department store in the Paris

in this fine City building One Angel Court, Landon EC A splendid new office cent heart of the Banking and Fe the City of London. Last few tower floors available Fully air conditioned Attractive short leases Fitted out to tenants requirements Each floor 6,100 sq. ft. Weatherall

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> Agent Bank Hill Samuel & Co. Limited,



THE SAITAMA BANK, LTD.

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Directors: S. Borsook (British) (Chairman and Managing Director); J. Mincer; L. Mincer; D. H. Shapiro;

Saker's Finance and Investment Corporation Limited

Audited preliminary profit announcement

During the 1979 financial year the group has made good progress towards achieving its stated long term objectives. This, was greatly assisted by a substantial improvement in the motor vehicle market.

The audited figures for fiscal 1979 include the consolidated results of Lectrolite Products (Proprietary) Limited

for the period 26 February 1978 to 31 March 1979. The dividends expected from Saficon Investments Limited together with the net income of the company, permits a final dividend of 7 cents a share after paying preference dividends. This will make a total of 9 cents for the year (1978 - 4.5 cents). Your board has, in accordance with stated dividend policy, declared a final dividend of

The annual report is in the course of preparation and will be circulated to shareholders on or about 25 June 1979.

Consolidated group profits - year ended 31 March 1979

	1979 (R'000)	1978 (R'000)	Increase/ (Decrease) %
Turnover	142 605	114 459	24,5
Net profit before tax and interest Less: Taxation	5 088	3 802	33,8
	2 075	1 656	25,3
Attributable earnings from investments	3 013	2 146	40,4
	260	176	47,7
Less: Interest after taxation	3 273	2 322	41,0
	831	1 025	(18,9)
Interest Less Taxation	1 432	1 799	(20,4)
	601	774	(22,4)
Interest of outside shareholders and preference dividends	2 442	1 297	88,3
	857	514	66,7
Normal earnings for ordinary shareholders	1 585	783	102,4
Per ordinary share Earned (cents) Paid (cents) Number of shares in Issue	33,11 9,00 4 787 030	16.36 4.50 4.787 030	102,4 100,0

Declaration of ordinary dividend in respect of the financial year ended 31 March 1979 Notice is hereby given that ordinary dividend No. 44 of 7 cents per share was declared by the board of directors on 4 June 1979 in respect of the financial year ended 31 March 1979. This dividend is payable to shareholders registered at the close of business on 8 July 1979. The share transfer register and register of members will be closed from 7 July 1979 to 13 July 1979, both days inclusive.

Dividend warrants will be despatched on or about 31 July 1979. In terms of the Republic of South Africa Income Tax Act of 1962, as amended, non-resident shareholders' tax of 15 per cent will be deducted from dividends psyable to shareholders whose addresses are outside the Republic of South Africa.

By order of the board

Saker's Management Company (Proprietary) Limited

Registered office Transfer secretaries 11th Floor Capa Towers Maclaren Street Johannesburg

South Airica (Proprietary) Limited 16th Floor, Nedfin Place Corner Simmonds and Kerk Streets Johannesburg

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4 June 1979 Fabrus 42913

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International Chemical Engineering Exhibition, 2-9 February 1981.

KORTEX '81

International Textile Machinery Exhibition, 20-29 July 1981.

KORFISH '81

International Fishing Exhibition, 2-9 November 1981.

For full details, please write to:-



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Export decline hits Toyota Second-half deficit Motor Sales group result

TOKYO-DAI NIPPON Printing Company, the largest printing enterprise in Japan, raised its parent company net profit by 15.3 per cent in the fiscal year to May 31, to Y15.22bn announced a 7.4 per cent fall (\$70.6m), from the previous year's Y13.20bn.

(\$1.7bn), for a 10.7 per cent increase, from Y337.89bn. The per-share profit went up to Y35.32, from Y30.92.

Advance at

Dai Nippon

Printing

Sales from printing commercial materials registered a sharp rise, of 13.9 per cent, the company sáid, to total Y151.28bn, accounting for 40.2 per cent of business. Sales from printing books and regular periodicals, representing 19.4 per cent of business, came to Y72.50bn, a 7.3 per cent increase, while those from pack-aging boxes, plastic and other special wrapping materials rose 9.2 per cent to Y150.157bn. Dai Nippon officials said net

profit in the current fiscal year will rise 7.8 per cent to Y16.4bn, on sales of Y406bn, up 8.6 per cent. AP-DJ

Nippon Shinpan profit jump

TOKYO - Nippon Shinpan Company, the major Japanese credit sales company, has reported a rise of 55.4 per cent in its consolidated net profit in the year ended March 31 to Y3.87bn (\$17.9m), from

Y2.492bn in the previous year. Consolidated sales in the year were up 31.4 per cent 40 Y466.62bn, from Y355.02bn.

Kajima just ahead

After-tax profits at Kajima Corporation, the major Japanese construction concern, rose by 1.2 per cent in the half-year to May 31, to Y6.60bn (\$30.6m), from Y6.52bn in the same period the previous year, Reuter reports from Tokyo. Sales rose more sharply, by 9.3 per cent to Y311.63bn (\$1.4bn), from Y284.91bn. The interim dividend is unchanged, Y4.5 per share.

Wheelock Maritime WHEELOCK MARITIME Inter-

national has announced a 39 per cent rise in post-tax profit to HK\$54.7m (US\$10.6m) for the year to March, writes Philip Bowring from Hong Kong. A final dividend of 32.5 cents per "A" share and 3.25 cents per "B" share is being recommended, making a total payout for the year of HK\$28.5m compared with HK\$22.5m for the previous year.

MANY

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·lonyHenfrey's:

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July,1979.

TOYOTA MOTOR Sales—the company earlier reported a Toyota's competitive strength marketing arm of the largest sales gain of 6.4 per cent, to in the U.S.

Japanese motor concern, has Y2,810bn.

The fall in consolidated 1.41m. from Y2,720bn. The parent exchanges — which reduced

The company felt itself un-

The company attributed the able to predict its consolidated in net profit on a consolidated lower consolidated profits net income and sales for the basis to Y23.99bn (\$111m) for mainly to a decline in exports, current business year, because the year to March 31, from Out of overall vehicle sales of of the uncertain economic out-Y25.9bn the previous year.

2.84m units, or 4.4 per cent look.

This is a slightly lower rate more than the 2.71m the pre-Higher crude oil prices and of fall than that reported in vious year, domestic sales rose the rise in the Bank of Japan's

May for the parent company by 20.8 per cent to 1.57m units official discount rate from 4.25 from 1.3m, but exports fell by per cent to 5.25 per cent, Y22.81bn.

10.6 per cent to 1.26m from announced on Monday, it was said, would affect sales of profits took place in spite of a . The exports decline was Japanese vehicles at home and rise of 6.8 per cent in the value attributed mainly to the appre- abroad, but the company could of sales to Y2,905bn (\$13.4bn), ciation of the yen in the foreign, not yet measure the affect on

on trading operations is anticipated for the second half of the year. It is conceivable that it could offset the pre-tax profits on trading operations disclosed for the six months to January." Shareholders pump more capital speculation the company's own staff fund. Waltons Employees Nominees Company Pty. on Monday announced that it had been approached by an unnamed into Aluminium Bahrain

Half the additional capital of one Bahrain Dinar, at a premium of BD 5.

from a premium on the trans the original 3m shares in Atha. Basic Industries Corporation:

SHAREHOLDERS in fer price of the metal-the sum to the Government of Sandi Aluminium Bahrain (Alba) are paid by the shareholdess to Arabia — reducing the Bahrain to subscribe an additional Alba to cover its raw material Government's holding to 57.9 US\$30m of capital, to finance and production costs.

The new shares are us be It is understood that the

which contracts are due to go out in the autumn.

A syndicated loan to cover the Temaining cost has already been arranged, with Gulf International Bank and NatWest as lead managers.

The new shares are to be paid for in three instancements. The first, BDI, was called in November, and the final payment in May next year. Until July 1, the shareholders in Asba were the Bahrain Government. were the Bahrain Government (77.9 per cent), Kaiser Aliminum Bahrain (17 per cent) and in Saudi Arabia, but Bahrain's will be raised by an issue of Breton Investments. (5.1 per Minister for Development and im shares, with a nominal value cent).

Industry, Mr. Yousuf Shirawi,

An Amiri decree published in remium of BD 5. Bahrain this week authorised The other half will come the transfer of 20 per cent of

value of the shares, based on subtracting the company's debts' from its Assets, but no price has been made public. The has been made public. nas been made public. The Saudi shares will be held by the General Investment Fund Industry, Mr. Yousuf Shirawi, said it was expected that the shareholding would be exer-cised by the Saudi Arabian

ruling marker price. The mystery party indicated that it did not intend to make a full take over hid for the com-It is understood that the transfer was made at the book pany. Trustees of the company sought an extension of time

their response.

This is understandable as several of Walton's executives. including the chairman; Mr. John Walton, also serve on the board of the staff fund. The Walton's board yesterday that they had decided to make the preliminary amountement concerning the company's Mi-fortunes on "legal advice"

By John Rogers in Sydney

WALTONS, THE Sydney based

retail chain, yesterday revealed

that the group will incur a

large pre-tax trading loss in the

second half of its financial year, The directors warned that the

deficit might offset the first half

pre-tax carnings of A\$4.45m

"Trading conditions in recent months have been difficult and

as a consequence a pre-tax loss

Yesterday's announcement has virtually been forced on the

board because of circumstances over which it has no control. After nearly a week of takeover

party with a view to the pur-chase of its 17.7 per cent stake

in the retailing group at A\$1.00

a share well above the recent

ing the possible loss, the direc-tors revealed that the company had revalued its extensive property holdings by A\$18m. This has the effect of hoosting asset backing by about 28 cents a share to just over A\$2.00 and

Rights issue by Hong Leong

HONG LEONG FINANCE, the cent rise in pre-tax profit to largest local finance company, \$39.76m (US\$4.5m). At the has announced a rights issue of post-tax level, the increase was

Hong Leong's existing issued capital of \$\$23.1m to \$\$40.42m and provide a fresh a capitalinjection (US\$13m). S\$27.72m

The announcement comes with the reporting of a 24 per (Singapore) Private—to comply ing December.

three shares for every four 33.6 per cent to \$\$5.94m. shares held at \$1.60 per share. Hong Leong also disc Hong Leong also disclosed

The rights issue, which has that it plans to dispose of cer-long been awaited, will raise tain of its investments and transfer up to 28 per cent of the issued capital of its whollyowned subsidiary, Singapore Finance, to two other companies

Singapore Gelvanising Indus- enlarged capital of 40.42m tries (Private) and Euroform shares in the current year, end-

with the stipulated ratio of total investments to capital and published reserves provided in the Finance Companies Act. -At the shareholders meeting

on June 30 this year, share holders approved a gross dividend of 12 per cent for 1978 Hong Leong expects to be able to recommend a gross dividend of 9 per cent on the enlarged capital of 40.42m At the same time as announc-

making any bid more expensive It cannot be dertain that Waltons will post a net deficit in the year to July 31 as, the board added to the uncertainties yesterday by pevealing that its 50 per cent-owned. Barclays Credit Corporation would con-tribute on A\$2m profit for the year, a number of non-recurring profits of a capital nature would improve the result, and current trading was showing an in-



The Korea Development Bank US\$600,000,000

Medium Term Syndicated Loan

managed by

BankAmerica International Group

BNS International (Hong Kong) Limited

European Arab Bank

Sanwa International Finance Limited

AL - UBAF Group

National Bank of North America

Bank of America NT & SA

The Taiyo Kobe Bank, Limited

Toronto Dominion Bank Singapore Branch

BT Asia Limited Lloyds Bank International Limited

Amsterdam-Rotterdam Bank N.V. Asia Pacific Capital Corporation Limited The Bank of Tokyo Ltd. Chemical Bank International Group Deutsche Bank (Asia Credit) Limited Dresdner (South East Asia) Limited Paribas Asia Limited Scandinavian Bank Limited .-The Industrial Bank of Japan, Limited Standard Chartered Merchant Bank Asia Limited Toronto Dominion Investments (H.K.) Limited

WestLB Asia Limited

Bank Bumiputra Malaysia Berhad

Banque Belge Limited - Societe Generale de Banque S. A. Banque de la Societe Financiere Europeenne - S.F.E. Group Banque Europeenne de Credit (BEC) Bayerische Landesbank Girozentrale Canadian Imperial Bank of Commerce Dai-Ichi Kangyo Finance (Hong Kong) Limited Credit Lyonnais Hong Kong (Finance) Ltd. London & Continental Bankers Limited The Fuji Bank, Limited

Witsubishi International Finance Limited The Long-Term Credit Bank of Japan Limited Nippon Credit International (HK) Ltd. Sumitomo Finance (Asia) Limited . Swiss Bank Corporation

> The Taiyo Kobe Bank, Limited The Tokai Bank. Limited Provided by

Bankers Trust Company

LBI Finance (Hong Kong) Limited Amsterdam Rotterdam Bank N.V., Tokyo Branch

Asia Pacific Capital Corporation Limited The Bank of New York, New York Bank Bumiputra Malaysia Berhad, Bahrais Bra The Bunk of Tokyo Ltd. The Bank of Yokohuma, Ltd. Banque Belge Limited Banque Europeenne de Credit (BEC) Banque de Paris et des Pays-Ras Bayerische Landesbank International S.A. BNS International (Hong Kong) Limited Chemical Bank The Commercial Bank of Australia Ltd. Port Vile Bran Canadian Imperial Bank of Comme Credit Lyonnais, Singapore Branch Dai-Ichi Kangyo Finance (Hong Kong) Limited The Daiwa Bank Limited Deutsche Bank (Asia Credit) Limited The Development Bank of Singspore Limited Dresduer (South East Asia) Limited The Industrial Bank of Japan, Limited Hong Kong Branch European Arab Bank The Fuji Bank, Limited Irving Trust Company Kredietbank S.A. Luxe Japan International Bank Limited : Kyowa Pinance (Hong Kong) Limited LTCB Asia Limited London & Continental Bankers Limited The Long-Term Credit Bank of Japan Limited Marine Midland Bank Merrill Lynch International Bank Limited

The Mitsubishi Trust and Banking Corporation Mitsui Finance Asia Limited. Mitsubishi International Finance Limited . Mitsui Trust Finance (Hong Kong) Limited National Bank of North America National Westminster Bank Group Partnership Pacific Bank N.V. Saltama International (Hong Kong) Limited Nippon Credit International (HK) Ltd Scandingvian Bank Limited Societe Financiere Europeenne Finance Company N.V.-S.F.E. George Sanwa International Finance Limited Societe Generale de Banque S.A. Standard Chartered Benk Limited The Sumitoms Trust Finance (H.K.) Limited

Standard Chartered Merchant Bank Asia Limited The Sumitomo Bank, Limited Hong Kong Branch Swiss Bank Corporation Takugin International (Asia) Limited Tokai Asia Limited The Toyo Trust and Banking Company, Limited UBAF Arts American Bank Union de Bauques Arabes et Francaises - U.B.A.F.

> Agent Bankers Trust Company

Yasıda Trast and Finance (Hong Kong) Limited

MATIONAL d. fur

MONEY RA

May 1979

THE POUND SPOT AND FORWARD

THE DOLLAR SPOT AND FORWARD

CURRENCY RATES

1067.48 281.388 6,57314

Note Rates 30-31 69.5-70.5

99.5-70.8 11.90-12.08 9.65-9.75 4.12-4.23 1,850-1,889 490-500 4.68-4.65

CURRENCY MOVEMENTS

132.5

OTHER MARKETS

-320 -9.6 -17.2 +19.2 +13.7 +2.4 +42.3 +81.6 +18.2 -7.4 -48.9 +51,1

1349-1358 Austria 0.8775-0.8806-Selgius 35.80-26.25 Denmai

Rata given for Amentina is free rate.

Sterling strong



serve. Sterling weakened to \$2,31802 but improved gain towards the close to \$2,320 on renewed buying out. The pound used at \$2,3245,2,235, a rise of \$5 cents on the day, and the gheat closing level since May,

gainst other major currencies lts trade-weighted index, as calmated by the Bank of England, nose to 73.5 from 73.0, after aged to the first from 15th, after sinding at 73.5 at noon and 73.2 as the morning. The closing level was the highest since October, 1975.

In terms of the French franc, the pound fost to FFr 9.7990 from FFr 9.7150, and against the D.mark improved to DM 4.2078 opening at Y213.50, and rising from DM 4.1700. Sterling also to a high point of Y214.35 in the mined ground against the Swiss morning.

The Bank of England may bave

intervened to help the dollar, but the major European Intervention continued to come from the West German Bundesbank and the Swiss National Bank. Support for the dollar by these central banks, plus major boying from the Federal Reserve later in the day pushed the U.S. currency up to SwFr 1.6340 against the Swiss franc, from SwFr 1.6310

on Monday.
The dollar traded within range of SwFr 1.5240 to SwFr 1.5360, and between DM 1.8030 and DM 1.8150 against the D-mark, before closing at BM 1.8090, compared with ment against the Japanese ren-was Y213.50 in Y214.90 and the dollar closed at Y214.30, com-pared with Y215.60 on Monday 100 Bank of England figures the Addlar's trade weighted index the Addlar's trade weighted index

eased to 83.7 from 83.5.
MHAN—Sterling rose to a
record L1.889.25 against the lira
at the fixing, gaining nearly,
27 points from Monday. The dollar lost ground, falling to L812.95, compared with L815.30 previously, and the Bank of Italy sold most of the S18.7m traded A50.45 at the fixing from L450.86 bank bought \$20m when the dollar was fixed at DM 1,8065 against the D-mark compared with DM 1.8091 previously.

DM 1.8030 and DM 1.8065. TOKYO The dollar fell to Y212.92; at the close, from Y214.77; previously. Trading was heavy, with the U.S. currency

During the morning the U.S.

:MS	EURO	PEAN	CURRE	NCY UN	IT RA	ΓES
						

	central	Currency amounts Igainst ECU July 24	% change from centrel rate	% change adjusted for divergence	Divergetion
angum Franc Janeth Trona Jeneh D-Mar Jeneh Franc	39.4582 7.08692 2.51084 5.79831	40.5305 7.29266 2.53762 5.81080	+2.72 +2.52 +1.07 +1.54	+1.18 +1.38 -0.47 -	±1.63 ±1.635 ±1.1825
anch Guilder rish Punt Tallen Lira	2.72077 0.862838 1948.15	2.78837 6.671083 7142.16	+2.52 +1.27 -0.52	+0.98 -0.27 -0.82	±1.5075 ±1.585 ±4.0728
	ges ste for EC	U. therefore (positive oh	ings. denotes	

feli a ta air a	er den significant en	Carlo Carlo	A Company of	Acres 10
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Poundatering	. U.S. 'Bollar (Deutichem'	ki Japan'se Yen Fre	nehFranc: Swiss Franc	Dutch Guild'n Italian Ura	Canada Dollar Belgian Fran
Found Starting	2.525 4.908 1.810	914.4	9.790 X.800 4.211 1.664	4.628 1890. 1.890 813.0	2.706 67.15 2.165 29.89
Peutschemark 0.238 Japanese Yen 188 2.005	0.555 4.684 8.440	1000	2.327 0.905 19.64 7.625	1.100 449.3 9.283 3792.	0.644 15.96 5.432 134.7
Francis III 1.051 Swiss Francis 0.368	1.375 4.398 0.612 1.107	509.2 181.3	10. 3.662 2.576 I.	4.727 1931. 1.318 497.4	2.766 68.59'- 0.713 17.67
Duteh Guilder Italian Line 1888	0.502 0.909 1.230 2.926	107.7	2.116	2.448 1000.	0.586 14.51 1.456 - 65.58
Senadian Dollar 0.569	0.869 1.654 3.462 6.266	184.1 748.4	5.615 1.403 14.68 5.659	1.700 698.0 6.891 2815.	1. ; \$4.80 4.033 : 100.

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar cartificates of deposit; one month 10.80-70.90 per cent; three months 10.90-11.00 per cent; on http://doi.org/10.00-11.00 per cent; one year 10.50-10.60 per cent;

l	July S	4	Sterling	U.S. Dollar	Canadian Dellar	Dutch Gullder	Swise Prans	West German Mark	French France	Italian Lira	Asian #	Јарапесе Уст
	Thort term Taxys ni Bonth hree month ix months	Mineral I	144-144 14-144 154-154	10% 11 10% 11% 11% 11%	91g-101g 91g-103g 111g-111g 111g-111g 111g-111g 111g-111g 105g-11	914-814 814-818 814-818 963-978 963-978	14.135 Vg. 1 T50.214 214.24	614-614 - 614-614 - 614-612 - 518-612 - 613-715	954-10 954-10 10:a-11:s 11:c-11:4 11:g-12:s 11:g-12:s	151 ₂ -191 ₂ 17-20 163 ₄ -175 ₄ 181 ₄ -171 ₄ 165 ₄ -165 ₄ 141 ₂ -151 ₂	10%-10% 10;2-10 11-11% 11%-11% 10%-10;2	1-3-612 3-414 412-5-4 5-3-54 512-5-1 614-6-6
				4:	4 4 5 60.			- :				

Long-term Eurodollars two years 10% per cent tone years 15%-10% per cent; four years 10%-10% per cent; five years 10-10% per cent nominal closing the Short-term rates are call for suffiling U.S. dollars and Canadian dollars two-day call for guilders and Swiss Iranes. Asian rates are closing rates in

NTERNATIONAL-MONEY MARKET

Fed. fund rates firm

U.S. Federal fund rates month money fell to 6.15-6.25 emained high resterday and per cent from 6.20-6.40 per cent, out the three-month rate rose cont. The Federal Reserve Bank function into the arrived flouidity into the 6.95 per cent. Six-month money in 91 per cent and more month money in 91 per cent from 7.00-7.30 per cent and more month money in 91 per cent and were trading later in the day at 101 per cent. Treasury arly on with yields on 13-week lills easing to 9.39 per cent from 7.30-7.50 per cent from 2.50 per cent from 7.30-7.50 per cent into money lates showed a flightly easier trend where changed yesterday.

AMSTERDAM—Interbank money was protected at 101-101 per cent money lates showed a flightly easier trend where changed yesterday.

While call money was quoted at 101-101 per cent money lates showed a flightly easier trend where changed yesterday.

While call money was quoted at 101-101 per cent money was quoted at 12-121 per cent from one- and three-month and 11-11 per cent for six-month. The 12-month rate stood at 101-101 per cent.

RANKFURT—Call money was quoted at 12-121 per cent from money was quoted at 6.10-6.20 per cent from money was quoted at 12-121 per cent from money was quoted at 6.10-6.20 per cent for six-month money was quoted at 6.10-6.20 per cent for six-month money was quoted at 6.10-6.20 per cent for six-month money was quoted at 6.10-6.20 per cent for six-month money was quoted at 6.10-6.20 per cent for six-month money was quoted at 6.10-6.20 per cent for six-month money was quoted at 6.10-6.20 per cent for six-month money was quoted at 101-101 per cent.

HONG KONG—Conditions in the money was quoted at 101-101 per cent.

While call money at 101 per cent and money and overgight business dealt at 101-101 per cent.

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20 February 1992

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THE THE STATE

UK MONEY MARKET

Exceptionally large help

Bank of England Minimum This was in addition to a Lending Rate 14 per cent moderate amount of overnight loans at the start, with closing balances taken down to 131 per cent supply in the London repayment of a small amount of local advances and a small net puthorities gave assistance on an acceptionally large scale. This finance. Banks brought forward comprised very large purchases balances a moderate way below cent in early afternoon trading sover one increase in the note circulation late. There was also a certain. In addition revenue transfers to before dipping to 8 per cent mount bought indirectly. In the Exchequer exceeded Governments by a small amount of local authority amount. Dissounts houses were paying nominal in some cases.

Kruger loans at the start, with closing balances taken down to 131 per cent.

Kruger loans at the start, with closing balances taken down to 132 per cent.

Kruger loans at the start, with closing balances taken down to 133 per cent.

Kruger loans at the start, with closing balances taken down to 134 per cent.

Kruger loans at the start, with closing balances taken down to 134 per cent.

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Kruger loans at the start, with closing balances taken down to 134 per cent.

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Sower cent in early afternoon trading sover loads to the feel of the same loans at the start, with closing balances taken down to 134 per cent.

Sower cent in early afternoon trading sover loads to the feel of the same loans at the start, with closing balances taken loans at the start, with closing balances taken loans at the start down to 134 per cent.

Sover loans at the start, with closing balances taken loans at the start down to 134 per cent.

Sover loans at the start, with closing balances taken loans at the start down to 134 per cent.

Sover loans at the start, with closing balances taken loans at the start down to 134 per cent.

In the interbank market over loan

for resale. Discour

ONDON MONEY RATES

		The second secon				-1	1 3	1 ft. 1 1		•
July 24	Starling Certificate of deposit	Local Interpent Authority deposits	Local Auth. Inegotiable bands	- Nouse	Company Deposits	deposit	Freezury Bills & B	igible lank i IRs • I	rade file d	2
o months ae months months a months	1418 1318 1418 1318 141 1318 154 1314 121 1218 131 1218	14-144 14-144 14-144 14-14-1 15-14-1 15-14-1 15-15-15-1 15-15-15-1 15-15-15-1 15-15-15-15-15-15-15-15-15-15-15-15-15-1	14%-144 14%-1419 14-8-1419 13-12-12-13-12-13-12-13-12-13-12-13-12-13-12-13-12-13-12-13-13-13-13-13-13-13-13-13-13-13-13-13-	1456 1456 1419 1436 1376 1314	149 149 149 149	131g-14 2 137g 137g 133q 134g 134g	13 k 13 k	137 ₁ 111	141g 141g 141g	-

Local authority and finance houses seven days notice others seven days fixed. Long-term local authority mortgage state hominally, three years 12½-12½ per cent; four years 12½-12½ per cent; give years 12½-12½ per cent; eBaink bill rates in the property of the part of prime paper. Buying rates for four-months bank bills 13½ per cent; four-month bank bills 13½ per cent; pro-month local part of the per cent; pro-month local bills 13½-13½ per cent; pro-month local bills 13½-13½ per cent; pro-month local bills 13½-13½ per cent; pro-month local bills 14½ per cent; pro-mo

Further record

GOLD CONTINUED to advance. GOLD CONTINUED to advance, closing at a record \$3051-\$3061, a rise of \$11 on the day. The market was busy, with gold opening at \$3061-\$3071, and touching an all rime high of \$307-\$3071. In the afternoon, selling in New York pushed the metal down to \$3041-\$305, but it gained ground once more towards the close. once more towards the close. In Paris the 121 kilo gold bar was fixed at FFr 43,650 per kilo (\$322.75 per ounce) in the after-

		- 4	uly 24	July 3
t	Cold	Bulfler	n Ifine c	(sont)
t:	Cinco America	93051	1-306k	83044-5
	Opening	(£151.	4 161.71	2162.2-16 23091a-8
	· Obstatell ev-	4E 16Z	+13Z.A	15 to 172-15
	Morning	3306. £132		8303.60 £131.63
	· Afternoon	33G0.	25	5304.90
	fixing	£131		12132.39
	Krugerrand	Goine,	domes	23123-3
	KI SE SELECTION			

rereigne:244-45; (\$431₄-4 Gold Goins, internationally

Gold Coins, internationally
Krugerrand, 531514, 15134, 15154, 151

neon, compared with FFr 43,650 (\$322.96) in the morning, and FFr 43,190 (\$318.36) Monday

was fixed at DM 17,825 per kilo (\$307.15 per ounce), compared: with DM 17,680 (\$304.06) previously.

In Frankfurt the 121 kilo bar

MONEY RATES

NEW, YORK -	
Prime Rete	11.5-11.7
Fed Funds	10.75
Treasury Bills (13-week) Treasury Bills (26-week)	9.39 9.43
Treasury Bills (20-week)	3.43
GERMANY	
Discount Rate	5
Overnight Rate	6.15 6.20
Three month	6.90
Six months	7,25
FRANCE	
Discount Rate	9,5
Diagours item	9:5 .
Overnight Rate	
One month	9.6675
One month	-9.275
Three months	-9.275
Time months Six months	9.875 10.4375
One month Think months Six months JAPAN Discount Rate	9.875 10.4375 5.25
Cone months Six months Six months JAPAN Discount Rate Call Ciscondulated	9.875 10.4975 5.25
One month Think months Six months JAPAN Discount Rate	9.875 10.4975 5.25





JUGOBANKA UNITED BANK

U.S.\$50,000,000 Floating Rate Notes

¥10,000,000,000 **Fixed Rate Notes**

U.S.\$20,000,000 Term Loan Facility

Multi-Currency Financing

U.S.\$50,000,000 Floating Rate Notes due 1989

The Development Bank of Sluggar

Remait International Finance Co. S.4.K. KIFCO' The Taiya Linke Bank (Luxembourg) S.A.

"Asia Pacific Capital Corporation

American Express Bank Internation

Girozentrale und Bank der österreichisch Pieron, Heldring & Pierson N.V.

Sanwa Bank (Underwritery) Limited nsinudaleksinian Union de Bunques Arabes et Françaises - L. B. A.F.

eutsche Landeshank Girozentrale

Amsterdam-Rotterdam Bank N.V. Banque Arabe et International d'Investissement (B.A.L.I.) Banque Française du Commerce Exterieur

Genossenschaftliche Zentralbank AG The Nilko Securities Co., (Europe) Ltd.

Skandinaviska Enskilda Banken Societe Générale de Banque S.A. United Oversey, Bank Limited Singapore Dean Water Reynolds Internations

¥10,000,000,000 Japanese Yen Notes of 1979-Series B

Daiwa Securities Co. Ltd.

The Long-Term Credit Bank of Japan, Limited The Mitsui Trust and Banking Company, Limited

> The Sumitomo Trust & Banking Co., Ltd. The Yasuda Trust and Banking Company, Limited

The Long-Term Credit Bank of Japan, Limited Federation of Labour Banks The Sumitamo Trust & Banking The Yasuda Trust and Banking Company Limited The Bank of Kyoto, Ltd.

The National Agricultural Insurance Association of Japan The Bank of Tokyn, Ltd. Daihyaku Mutuul Life Insurance Cumpany The Tokio Marine & Fire Insurance Co., Ltd.

The Milsui Trust and Banking Company, Taiyo Mutual Life Insurance Company The Industrial Bank of Japan, Limited Nippun Duntai Life Insurance Co.; Ltd. The Daiwa Investment Trust & Management Co., Ltd.
The Nichido Fire and Manne Insurance Company. Limited The Chryoda Fire & Marine Insurance Co., Ltd.
Co., Ltd. The Down Fire & Marine Insurance Company Limited

UDRUZENA KOSOVSKA BANKA

U.S.\$20,000,000 Floating Rate Loan

The Long-Term Credit Bank of Japan, Limited DG Bank Deutsche Genossenschaftsbank

. Co-Vanaged by Kredietbank International Group

Kredicibank N.V. Dalwa Europe N.V. Dow Banking Composition

Nippon European Bank S.A. The Yasuda Trust and Banking Company, Limbed

The Long-Term Credit Bank of Japan. Limited

COMPANY NOTICES

hi International (Nederland) N.V.

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA

CETIMIL

1. To elect directors in accordance with the provisions of the Corporation's articles of association.

To consider, and it deemed at, to pass, with or without modification, the iolitowing resolution as an ordinary resolution, namely:

"That the directors be and they are hereby suphroused:

If I a silot and sesse all or any portion of the \$550,020 antispeed redeemable committive professors shares of 2.5 cents each in the capital of the Corporation and, after providing for the allotment and issue of the ordinary shares in terms of the share incentive stheme, the stall share option scheme and any shares which shall have been set uside for allotment in supstitution for shares in Rand Selection Corporation, Limited arising on conversion of bends of US\$1,000 each representing the Rand Selection Corporation of the present of the Corporation, at such time or times all or any portion of the resistance of the Corporation, at such time or times in an explain of the Corporation, at such time or times in 9 such person or persons, company or continued, and open such terms and conditions as they may determine.

(iii) To make arrangements on such terms and conditions as they may deem it for the subscription by underwriters of:

(iii) To make arrangements on such terms and conditions as they may deem it in the such provided that any rights to such shares which can be sold in int-paid form on The johannesburg and/or London Stock Exchanges may be sold by the underwriters, and the net proceeds of any sale of sech rights period which they are quoted on such stack exchanges may be sold by the underwriters, and the net proceeds of any sale of sech rights period which they are quoted on such stack exchanges may be sold by the underwriters, and the net proceeds of any sale of sech rights applied of the Corporation.

The Sead office and United Kingdom traveter registers and the requester of applied of the Corporation.

The head office and United Kingdom transfer registers and the register of members of the Corporation will be closed from August 13 to August 17, 1978. Holders of share warrants as a horizontal warrants as a horizontal transfer of the contract of the cont

By Order of the Board J. T. GOLDFINCH Managing Secretary

Jaly 24, 1979.

AGREEMENT Cunard Building. Liveragol L3 10S. England.

Registered Office: 44 Main Street, Johannesburg

GADEK (MALAYSIA) BERHAD

(Incorporated in Maleysia)

NOTICE IS HEREBY GIVEN that an interm dividend of 5% less 40% income tax for the year ending 31st December, 1979, has been declared payable on 24th August, 1979, to shoreholders whose names appear on the members' register at the close of business on 14th August, 1979.

By Order of the Board, OH KIM SUN Ladang Pinji, Lahat, Perak. LEE HAU HIAN 20th July, 1979 Secretaries U.K.IU.S.A. GULF WESTERGUNG RATE ACREEMENT IF.M.C. ACREEMENT No. 87789 U.K.JU.S.A. GULF WESTBOUND RATE ACREMENT NO. 87701

MOTICE TO SHIPPERS AND CONSIGNEES
BUNKER SURCHARGE
The member lines of the above agreeseem aperating services between the
United Kingdom, Northern ireland and the
Republic of Ireland and U.S. Gulf ports to
the range Key West Florids, to Brownsville. Texas, wish to advise subspers and
consignees that, due to the continued
esculation of bunker lines brices they are
consigned to automatical further increase in
the areaset level of bunker surcharge to
U.S. dir. 2.00 ser ravebus lon.

The revised level of strokarse will analy
to all sussets commercing to load at hidvidual corts of loading on and after 16th
Aggar. 1979.
Attantic Carpo Services AB
Courbe Line.

Those and Jas. Harridge Ltd.
U.K. U.S.A. Area well-provided RATE
U.K. U.S.A. Area well-provided RATE CURRENCY ACJUSTMENT FACTOR

The mentier lines of the above sqreement operating services from the United
Kingdom to U.S. Gulf ports in the range
Key West. Florida, to Brownsylle. Texaswish to advice shippers and consignees that
wish to advice shippers and consignees that
sea a result of in urther depreciation of terificurrency (i.e. U.S. dollar) in relation to the
pound sterling it has become necessary to
announce an increase in the present level
of sucherpse to 12.00 per tent, effective
by all vessels commencing to load at each
individual loading port on and after 18th
August 1979.

This arrangement will be under constant
review and adjustments made as the situation determines.
Attantic Cargo Services Ab.
Combit Line

Atlante Large Sevent Combi Line .
Thos. and Jas. Harrison Ltd.
Lykes Broy. S.S. Co. Inc.
Sea-Land Sevice Inc.
U.K./U.S.A. GUIF WESTBOUND RATE U.K.IU.S.A. GULF WESTBOUND RATE
AGREEMENT

BRITISH GAS CORPORATION 9 PER CENT GUARANTEID
NOTES 1981
Holders of the above Notes are advised
that copies of the Annual Report and
Accounts of the British Gas Corporation for the Year anded 51st March,
1978
G. WAREURG CO. LTD.,
COUNDED DEDI St. Albans House. Goldsmith Street. London EC2P 20L. 25th July. 1979.

MOTICE TO THE MOLDERS OF BONDS OF THE ISSUE 8% 1977/86 OF USK25,000,000 MADE BY THE EUROPEAN COAL AND STEEL

The Commission of the Europea Communities announces that the annual instalment of bonds amounting to US\$3,000,000 has been purchased for redemption on September 1, 1979.

NOTICE IS NERESY GIVEN to bond-holders that US\$1.250,000 nominal amount of the above layer was purchased in the market during the twelve month period ended 15th July, 1875. THE BOWATER CORPORATION LIMITED Sowater House.

NOTICE TO THE HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDR's) IN KOMATSU LTD., TOKYO

We are Bleased to trothem that copies of the Semi-Annual Report for the six-month period ended December 31 1978, of Komatsu Ltd., Tokvo, and Consolidated Subsidiaries, are now available to EDR Holders uson application to the following conversion agents. Citibank Branches in Amsterdam, Franklay, Brussets, Paris and Milan and at Cribbank Branches in Amsterdam, Franklay, Brussets, Paris and Milan and at Cribbank (Lunembourg). Kredietbank S.A., Lunembourg. Kredictions S.A., Las Luxembourg. Citibans, N.A. 336. Strand. London WCZR INS. Depositury July 1979.

R. PATERSON & SONS, LTD. NOTICE IS HEREBY GIVEN that the Ordinary Share Transfer Books of the Cumpany will be tigsed from 10th August to 23rd August 1879, both dates inclusive. for the payment of the Fingi Divident in respect of the period ended 31st March, 1879.

By Order of the Board.
W. M. ADAMSON,
Secretary.

TANKS CONSOLIDATED INVESTMENTS LIMITED

Stock Warrants to Bearer as indicated electrons of Stock Warrants to Bearer as indicated electrons of Stock Warrants to Bearer as a strange for an Authorised Depositary deposits Coupen No. 64 therefrom at the Stock Coupen No. 64 therefrom at Tanganvita Holdings Limited 5. John Street, London WCIN 255 to deposit this Coupen In BRUSSELS

Societe Generale de Banque 3. Montagne du Part 3. Montagne du Parc
or 9anque Lambert
24 Avenue Marnhe
n PARIS st:credit du Nord et Union Parisienne
6 & 8 Boulevard Haussmann

Mesors Laurid Frems & Cle 5 rue Pillet-Will 6 SWITZERLAND at:— Swifs Bank Corporation Aeschemorstadt 1 BASLE

BASLE
and all its Swiss Offices
in LUXEMBOURG at: -Banque Generale du Luxembourg
14 rue Aldringen

Banque Generale de Luxembourg
14 rue Aldringen

Tanque international a Luxembourg
2. Boulevard Royal.
Coupous presented for payment in
Brussels. Paris. Switzerland or Luxembourg
will require to be accompanied by designations to the effect that they have neither been received from nor are the property of residents in the United Kingdom Income Tax at the rate of 30% will be deducted:

"Bulling Kingdom Income Tax at the rate of 30% will be deducted: are situated in Great Britain or Northern Ireland.

"By Where bolders on the Principal Register have appointed Agents in Great Britain or Northern Ireland for the receipt of Dividends for their Account.

E) From payments made in respect of coupons presented in London, unites such Coupons are accompanied by inland Revenue Declarations
By Order of the Board.

BAHAMAS INTERNATIONAL TRUST COMPANY LIMITED

Dated the 25th day of July, 1979

P.O. Box N. 7768

NASSAU

Bahamas.

RESIDENTIAL PROPERTY

FRENCH

STATELY HOUSE with magnificent terrace overlooking the sea in the most exclusive part of the Franch Riviers with 1,250 ag. m. Jiving spacs, a 150 ag. m. terrace and a 25 ag. m.

CARETAKER'S LODGE

3 rooms, kitchen, bethroom, grages, a 25 ha, park with a quedruple projector lighting network, Olympic and children's swimming-pools, construction of a 500 ag, m. enness possible.

Would make a suitable head office for a large business concern and accommodation available for high-class receptions with bad-sitter.

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KAPNIST INTERNATIONAL NEAR MONTE CARLO Beautiful modernised flat overlooking bay with bed-room, bathroom, kitchen, drawing room, terrace. Under

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BEAUTIFUL HOLIDAY HOMES for tale in superb country setting on the edge of the Yorkshire Dales Easy access by car, only 15 miles from M6 motorway. Services: water, sewerage, gas and electricity. Full details: Ingleton Leiture Park, Parkfoot, via Carnforth, LAS 3HR. Phone 0488 61833 or 0255 890854. LAS 3HR. Phone DASS 51833 or D255 S90854.

FURMISHED PROPERTY. LEAVED Grove. W 1. Bright and sunny 4th floor flat. newly decorated & furnished throughpout. 2 diple, beds., spacepor recepture of the control of the con

Stret, W.S. D1-937 95.22.

LONDON. ideal any top executive or prestige co. Bayswater/Queensway. Beautiti new block of cleant all laxury sic apart. suits Reality suserb town homes. 612 month lets. From only £90 weekly. PSN. 48 hrs. Street Group, 01-221 2934 or 586 0729 after 6 pm.

after 8 pm.

MARBELLA, SPAIN. Luxury apartments, bdigalows, villas and plots for tale. Soliciter Shart term lets also available. Soliciter Suarantees transaction. Inspection night costs retunded on purchase, Mortages posible. For further details contact: L. B Broomberg & Co., Solichors. 226, Klimarunck Road, Newlands. Glasgow G43 1TV. Telephone G41 532 2257.

CLUBS

EVE has outlived the others because of a policy of fair play and value for money. Seepers from 10-2.50 am. Disto and on musicians. Glamorous hosterses, exciting floor shows. 188. Regent \$1, 74, 087, 174, 087, 188. GARGOYLE. 69. Dean Stree. London. W.1e NEW STRIPTEASE FLOORSHOW "AS YOU LIKE IT" 11-5.30 am. Show at Midnight and 1 am. Mon.-Fri. Closed Salurdays. 01-437 6455.

Indices

indust'ls... 112.51 112.57 7 12.52 112.40 112.50 115.58 112.58 167.93 154.54 3.52 (9/7) (9

7.93

1546.0 1567.5 1552.4 1560.8 1818.6 (28/6)

Switzerid(f), 458.8 588.5

High Low

MONDAY'S ACTIVE STOCKS

July 11 July 3

8.86 6.74

8.03 /

(7/2/88) (8/7/32) 166.52 | 18.58

July 20 | July 13 1 July 6 Year ago approx

e industr la 825, 51 826, 07 827 30 529 35 828, 50 834, 90 878.72 807.93 (18/6)

NEW YORK-DOW JONES

Composite 701.58 181.82 181.61 101.68 181.85

July July July High Law

57,77 67,69 57.76 57.76 59.82 53.88 (27/6)

ustralia (%) 687.58 198.18 697.68 645.79

Day's high 829.59 low 819.97

STANDARD AND POORS

no-div-yield %

TORONTO Composite

Early Dow rally despite depressing factors

PREMYUM

\$2.60 to £1—19}% (211%) Effective \$2.3250 6;% (7%) A FIRMER tendency prevailed

trading yesterday on Wall Street, with analysts commenting that investors may have been encouraged by the market's ability to partly recover on Monday from an initial down-

Closing prices and market reports were not available for this edition.

trend against the discouraging news background.

The Dow Jones Industrial Average, which managed to close the previous day only a net 2.56 off after an early fall of 51, adverse market conditions, points, picked up 3.84 to 829.35 THE AMERICAN SE Market and the second at 1 pm yesterday. The NYSE All Common Index improved 20 cents to \$57.97, while rises held cents to 50.50. where the action lead about a seven-to-five ratio lead over declining issues. Trading volume expanded to 20.48m shares from Monday's 1 pm figure of 17.20m.

However, analysts added that the news background is still depressing.

weak, Gold prices high and a recovery yesterday morning in mumber of banks are expected to follow the move made on Monday by First National Bank Monday, recouped 1.1 to 1.547.1

NEW YORK

Allied Stores ...

merada Hess.

Amer Stores. . . Amer, Tel, & Tel,

Inchor Hosking. Inhauser Busch.

Asamera Oil

nsol Foods ... : nsol Nat. Gas...

to \$49! on volume of 852,400 shares. More than Im National shares were traded on Monday, when lete that day Pan-Am said it had hought more than 900,000 shares, bringing its ownership of National to about 35 per cent. Pan-Am put on 1 to 62.

Ford eased i to \$421. The company reported that car sales for the July 11-20 period fell 28.3 per cent. However, Chrysler, which reported a 30 per cent drop in car sales, rose 1 to \$81.

Xerox gained ! to \$80; on higher second-quarter earnings. Allegheny Airlines shed I to \$9. It has postponed an offering \$25m of Convertible Subordinated Dehentures because of THE AMERICAN SE Market

Value index put on 0.32 to 195.60 at 1 pm on volume of 1.98m Active Resorts International were unchanged at \$49], but Dynalectron gained 1 to \$124 and Chieftain 1 to \$24].

Control Data.

Crane Co . Crocker Nati .

Fed. Dept. Stores Firestone Tire. ..

Franklin Mint.... Freeport Mineral. Fruenof

Halliburton Hanna Mining ,.

Fugua inds 1134

81s 871s 5514

Stocks on Canadian markets The dollar is still relatively were also inclined to show some

Johns Manville ... 34:a Johnson Johnson 70:e Johnson Control. 26:3; Jostens ... 19:3; Joy Manufacturg 35 K. Mart ... 25:3; Kaiser Alumini'm 18 Kaiser Industries 21; Kaiser Steel. ... 36:1; Kaneb Services ... 17:5;

Kenracott. 281s,
Kerr McGee ... 557s,
Kidda Watter ... 505s,
Kimberley Clark,
Koppers ... 22:
Kraft ... 461s,
Krogor Oo ... 221s,
Leaseway Trans. 200s,
Levi Stranss ... 555,
Libby Ow. Ford ... 271s,

Uggett Group. , 35% Ully Eli..... 54

May Dept. Stores 24% MOA 44%

Niagara Share.... N. L. Industries Norfolk & West'n

Litton Industries Lookh ed Aircrit

1.291.2. In Montreal, Papers and Honda Motors Y7 to Y535. improved 1.21 to 174.64 and However, Trading House Utilities 0.09 to 226.59.

'Among companies that reported higher earnings, Canada Packers rose | 10 CS26;, Imperial Oil "A" | to C834], Alcan Aluminium 1 to C3391. Great Canadian Oil Sands 1 to C\$231 and Dominion Bridge 1 to C\$361.

Despite higher results, Cansdian Occidental Petroleum shipped ! to C841! and Texaco Canada to C\$662. On lower earnings. North Canadian Oils lost 17 to CS121.

Tokyo

Market was in brighter mood n selective buying, partly prompted by the easing of margin trading controls.

The Nikkei-Dow Jones Average gained 30.50 to 6,210.91 and the Tokyo SE index 2.12 to 440.87, while there was a moderate turnover of 250m shares, against Monday's light total of 200m. Export-grientated Electricals. Vehicles and Cameras led the gains, followed by Pharmaceu-

Electricals, on huying mainly by mulor investment trusts.
Toyota Motor rose Y25 to Y870,
Fuji Photo Film Y30 to Y605,
Takeda Chemical Y26 to Y448,

Schlumberger.

Sears Roebuck

Southern Co...... Southern Cal.Ed., Southern Net Res

Southland 501 Swit Bandshare 24 Sperry Butch 15 Sperry Rand 44 Squibb 301

TesproPetr'leum 161g

United Brands ... 95g
US Bancorp... 264g
US Gypsum... 291g
US Steel... 221g
UtdTechnologies 365g
UY Industries... 271g
Wagnean ... 271g
Wallace Murray 261g
Warner-Comma 361g

Sea Containers.... 18

ticals. Shipbuildings and Heavy

However, Trading Houses remained unsettled by the 1 per cent rise in the Bank of Japan's Official Discount Rate, effective from yesterday. Milsui retreated Y11 more to Y326 and Mitsublshi

Y17 to Y519, Some Oils were also lower on profit-taking.

Germany

After a brief initial uptrend, share prices drifted easier to close mainly lower on balance on light profit-taking, with foreign investors again showing little fresh interest in the market. The Commerzbank index shed 3.2

more to 748.4. The recently strong Machine Manufacturing sector had mixed fortunes 'yesterday, with profitaking leaving Babcock down DM 3.20 and Linde off DM 2.00. but KHD adding DM 1.50 and Mannesmann DM 1.30.

Chemicals posted mostly moderate losses, with Bayer off 80 pfennigs, although Schering fell DM 3.00. Chemicals have also been recently favoured on news that some of the major companies have been conducting alternative fuel and energy research and

development. Motors had Daimler down DM 2.50, while in Stores, Karstadt

CANADA

EP Canada. . . .

Comingo. Cons. Bathurst...

Coseks Resource

Mountain State R: 14-13 Noranda Mines... 47-13 Norcen Energy... 4154 Nth. Telscom.... 4154 Numac Oil & Gas 3614 Oakwook Pstr'm; 11-13 PacificCopper M; 1.65

Dagn Devel

Abitibi Paper 187a 19
Agnico Eagle 75a 75a
Aican Aluminium 39 39
Aigoma Steel 261a 27
Asbestos 404a 1404a 1404a
Bank Montreal 347a 2414
Bank Novalicotia 241a 344a
Bell Telephone 211a 314a
Bow Valley Ind 281a 304

of Chicago to an 117 per cent at noon. Oils and Gas put on Sony Y60 to Y1,930, Matsushita and Kaufhof decline DM 3.00 HK\$8.55, but Rong Wharf Prime Rate.

Active National Airlines gained 1901 2 Metals and Minerals 5.0 to TDK Electronic Y50 to Y1,730 DM 1.90.

The Communication Prime Rate Prime Ra

Public Authority Bonds railied by up to 30 pfennigs. The Bundes-bank sold DM 32m nominal of paper in open-market operations after buying DM 500,000 on Monday. Mark-denominated Foreign Loans were steady.

Shares were mixed to firmer after an uneventful session at the Paris Bourse yesterday, the first day of the new monthly trading Account.

Trading in two issues-the Sugar company Saint-Louis and the Mining concern Tales de Luzenac-were temporarily suspended due to an excessive inflow of buying orders. Both issues put on 7 per cent during the session. Saint Louis closing at FFr 110 and Tales de Luzenac at FFr 235.50.

The star performer was the Chain Store Paris-France, which ended the day 13 per cent

nigner.

Cie Bancaire strengthened a further FFr 17 to FFr 447 after its FFr 4.90 rise on Monday which followed news of a onefor-three free scrip issue.

Hong Kong

Profit-taking after the market's recent advance caused an easier tendency yesterday in reduced activity. The Hang Seng index, up 19.99 the previous day, came back 5.98 to 592.49.

Blue Chip and Property shares, which had led the market ahead. saw most of the selling, but dealers said this was just a technical reaction and they expected the market to improve

today. Some selling from London was cited by dealers as a minor factor in vesterday's easier trend, but they added that local buying was

beginning to show again in the last half-hour of trading.

Hong Kong Bank lost 20 cents to HK\$13.40. Swire Pacific 10 cents to HK\$8.35, Jardine Matheson 20 cents to HK\$12.20 and Nutchison Whampor 5 cents to HK\$5,20.

Among Properties, Hong Kong Land put on 10 cents more to

Hapag Lloyd..... Harpener...... Hoechst Hoesch

M.A.N......

Schering..... Siemens Sud Zucker.....

AMSTERDAM

DGEM (F).10)...

OGEM (FI.10)... Van Ommeren... Pakhoed (FI.20) Philips (FI.10)... RinschVer (FI.00 Robeco (FI.50)... Rodamco (FI.25 Rolinco (FI.50)... Rorento (FI.50)...

Amsterdam

and Pakhoed.

Australia ...

ease yesterday. Brokers said London

off at AS2 55 In the Minings sector, Metals Exploration, 60 cents, and Mile. AS3 20, lost 6 cents apiece. Gold stocks, however, attracted renewed demand, Central Noise

Johannesburg

Gold shares closed with a firmer bias after a quiet trade following higher Bullion indice-

Mining Financials were also harder for choice, but Platinums eased afresh in line with free market prices. Rusplat losing 7 cents to R2.53. Collieries were mixed, while Coppers gained

A quiet but mainly firm Industrials sector had Barlow Rand 8 cents up at R5.95.

NOTES: Overseas prices shown below sclude S premium. Belgien dividends re after withholding tax.

• DM 60 denom, unless otherwise lated, yields based on net dividends 4 DKr 100 denom, unless otherwis stated.
SwFr 500 denom, and Searer share unless otherwise stated, 1 Y50 denom unless otherwise stated, 2 Price at time of auspension, a Florins, b Schillings

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đ.	July 24	Prices + or Yen	DIV. YId
440000	Asshi Glass. Canon Casid Chinon Dai NipponPrint Fuji Photo Hissohi	540 -1 520 +4 720 +30 510 +10 665 +30 255 +2 555 +2	14 9.0 12 1.1 95 1.7 90 5.2 18 1.5 16 1.2 18 2.5

BRUSSELS/LUXEMBOURG

	Frs.	1	Net	2
Arbed. Bekaart 'B'' C.B.R. Cement. Cockeriil Febrique Nat. Febrique Nat. SE. Inno 8m. Gevaert. Gevaert. Arbobken. Kredietbank. Ar Royale Belge Febrique Banque Geogen Banque	2,595 2,390 1,054 473 2,170 6,600 6,600 2,596 1,200 1,800 1,695 7,270 6,450 3,030 5,060	+15 -30 -14 -5 -10 -220 -5 -5 -5 -50 -70	150 100 177 455 250 170 85 90 170 142 530 \$258 \$2,58 190 220	5.4 5.1 5.2 6.2 6.2 6.3 6.3 6.2 6.3 6.2 6.3 6.2 6.3 6.2 6.3 6.3 6.3 6.3 6.3 6.3 6.3 6.3 6.3 6.3
icc Gen Banque icc. Gen. Belge icolna icolvay raction Elect. ICB	5,060 1,850 3,600 2,555 2,570 1,505	-70 -15 +15 -15 -80 +5	220 140 225 A2.10 186	7.2 7.5 6.3 8.3 7.2
in Min. (1:10) Vielle M'ntagne:	758 1,610	8 ⊑75	40	5.3

154 —2.2 38 4.9				
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162.5 -0.5 26.4 8.1 103.6 +0.5 3 11.6 152.5 5 -	Aluminium 1.2	45	8	3.8
110.7 146.7 + 0.4 238.2 — 0.6 21.6 9.0	BBC 'A'	45 +5 10 +5	10 22 28	2.3 2.3
129.4—10.1\$0.36 0.6 128.7—0.5 44.8 6.9 58 —0.3 \$0.20 0.8	Do. Reg	20 +5 10		3.2 3.6 2.5
73.6—1.4 80 8.0 567.5—2.8 83 4.4	Flacher(Georg) 6 HoffmanPtCert. 73 Do. (Smail)7.3	,000;	1100	3.6 1.5
N #	interfood 8, 4,3 Jelmoli (Fr,100) 1.4	00 i 30 i	22 21	2.6 1.5
Price + or Div. Yid.	Nestle (Fr. 100) 3,5 Do. Reg2.2 Cerlikon B(F250 2,4	75 —5 66 :+5	x81.5 x81.5 15	3.6 1.5
	Pireli(F100) 2 Sandoz (F.250). 4.2 Do. Part Certs 5	10 <u>-40</u> 51 -3	15, 26	5,3 1.6 2,4
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160 +34 16 10.0 512 +12 12 5.9 1084 +14	Sw.Bk.Cp(F100) 3 Sw.Reins.(F250) 5.4 Union Bank3.1	82 +2 2650°	10 25 20	2.6 2.0 3.1
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July 24	Lira	i — i	Lite	,
ANIQ	16xe	2.6	∸ i	7
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Pirell & Co	1.670	+28	140	٥.
Pirelli SpA	732 🗗 🗎	+6	80 1	۵.

The downward trend con tinued, with prices closing lower over a broad front. Brokers, however, said volume was minimal with local interest low due to the vacation period.

Losses of between one and two guilders were sustained by KNSM, Heineken, OCE-Van der Grinten, Nationale Nederlanden

Reflecting investor worries ahead of loday's release of the June-quarter cost of living figures, which are expected to show an upward inflationary trend, Industrials and some Mining leaders were inclined to

Brokers said London seeing influenced the market and leafer BHP retreated 18 cents to ASSAMMENT Among Stores, Waltons, Sher Monday's gain of 5 cents, receded 6 cents to 76 cents, but Moofworths rose 5 cents to ASSAMMENT WALLS TO ASSAMMENT OF THE PROPERTY OF THE PROPERTY

down at AS3.50 and ANZ 3 cents

man advancing AS1.00 to AS06.00; Poseidon 6 cents to AS1.00 CMR 8 cents to AS1.64 and Wattle Gully 4 cents to 19 cents
Uranium stocks were also
firmer, with Queensland Mines
closing 5 cents higher at 484.30 and Pancontinental up 10 cents at A\$14.50.

d Dividend after pending indeer scrip issue. e-Par shere, g Gross div. % h Assumed defer scrip end/or rights After local taxes, or % nex free. Including United div. p Nome apile s Div. and yield exclude payment. I indicated div. clai trading. v Minority holders y Merger pending. "Asked. Trade. † Settler. Z Assumed, ights. so Ex dividend. so Ex use. se Ex all. A interim since di.	Singapore(5) 282.98 584.50 404.13 (2876) indices and bass dates (all values 100 except NYSE All Cotton 50; Standards and Poors—10; Toronto 300—1,000; the list in based on 1875). † Excloding by 400 Industriels. § 400 Industriels Utilities, 40 Finance and 20-Trans 5 Sydney All Ordinery. § Beigla 31/12/65. ** Copenhagen SE 1/1 Parls Source 1881, 44 Commerce 1881, 44 Commer
1.00	AUSTRALIA
*Prices + or Div. Yid- iy 24 Yen · 一 · 集。名	July 24 Aust 5
840 -I 14 2.0	\$ 15. 31. \$1.

values 100 except NYSE All Common— 50; Standards and Foors—10:... and Toronto 300—1,000; the last hamad based on 1975; † Excloding bonds, 4 400 Industrials. § 400 Industrials, 400 Utilities, 40 Finance and 20 Transport. § Sydney All Ordinery. § Beiglar 35: 1712/65. ** Copenhagen SE 1/1/78. †† Parls Bourse 1981; 44 Commerzbank

Aust \$ 11.79 10.48 10.16 11.08 12.28 11.94 11.70 19.04 11.76

-48.81

1.55 12.80 1.00 1.78 1.50

1,210 +15 443 1,287 +2 24,76 464 -6 163 575 +20 76.9 454 3-18.8 21 622 -9 40.8 1,625 -17 78

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EUROPEAN OPTIONS EXCHANGE

BASE LENDING RATES

want 250	AT 70	TIONER
lenry Ansbacher	14 %	Indust
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Banco de Bilbao	14 %	Knows
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la Tamise S.A	144%	■ Morgan
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Allied Irish Banks Ltd. 14 🖏	Hill Samuel
Amro Bank 14 %	C. Hoare & Co
American Express Bk. 14 %	Julian S. Hodge 15 %
A P Bank Ltd 14 %	Hongkong & Shanghai 14 %
Henry Ansbacher 14 %	Industrial Bk. of Scot. 141%
Associates Cap. Corp 14 %	Keyser Ullmann 14 %
Banco de Bribao 14 %	Knowsley & Co. Ltd 151%
Bank of Credit & Cmce, 14 %	Knowsley & Co. Ltd 151% Lloyds Bank 14%
Bank of Cyprus 14 %	London Manageria 24 G
Bank of N.S.W 14 %	London Mercantile 14 %
Banque Belge Ltd 14 🕏	Edward Manson & Co. 15 %
Banque du Rhone et de	Midland Bank
la Tamise S.A 144%	Samuel Montagu 14 %
Barclays Bank 14 %	Morgan Grenfell 14 %
Bremar Holdings Ltd. 15 %	National Westminster 14 %
	Norwich General Trust 14 %
	P. S. Refson & Co 14 %
Brown Shipley 14 % Canada Perm't Trust 14 %	Rossininster 14 %
	Ryl Bk. Canada (Ldn.) 14 %
	Schlesinger Limited 14 %
Cedar Holdings 14 %	E. S. Schwab 15 %
Charterhouse Japhet 14 %	Security Trust Co. Ltd. 15 %
Choulartons 14 %	Shenley Trust 16 %
C. E. Coates 14 %	Standard Chartered 14 %
Consolidated Credits 14 %	Trade Dev. Bank 14 %
Co-operative Bank 14 %	Trustee Savings Bank 14 %
Corinthian Secs 14 %	Twentieth Century Bk. 15 %
Credit Lyonnais 14 %	United Bank of Kuwait 14 %
The Cyprus Popular Bk. 14 %	Whiteaway Laidlaw 141%
Duncan Lawrie 14 %	Williams & Glyn's 14 %
Eagil Trust 14 %	Yorkshire Rank 14 %
English Transcont 14 %	Members of the Accepting Houses
First Nat. Fin. Corp. 151%	Committee. * 7-day deposits 115%, 1-month
First Nat. Secs. Ltd 151%	deposits 113.4%
# Antony Gibbs 14 %	† 7-day deposits on sums of £10,000
Greybound Guaranty 14 %	and under 1;1,5%, up to £25,000
Grindlays Bank	12% and over £25,000 (2%). † Call deposits over £1,000 1112%.
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iams & Glyn's	14 %		

COMMODITIES and AGRICULTURE

Coffee price fall accelerates

THE DECLINE in world coffee prices picked up speed yester day with the September position on the Lemon futures market ending \$1265 lower at \$1,6925 a tanne. September coffee has now fallen more than 270 in the past week.

Dealers and " fired " selling

by speculators had been encouraged by the milder weather situation in Brazil. Last week-end had been taken as the peak of the frost risk season. with no serious damage to the rop the market had taken on a distinctly bearish appearance But dealers warned that the risk of frost will not be compietely over for another month

esterday's price fall was also influenced by the continuing strength of sterling.

The rise in the value of the pund also justed cocoa prices lower on the London futures market. The September quotation closed £35 lower at £1,367 a tome after a day of quiet

Mackerel: quotas cut

By Our Commodities Staff THE GOVERNMENT has decided to reduce quotas for catching mackeral of the west coast of Scotland under existing

From Angust 4, weekly catch allocations will be reduced by between 10 per cent and 20 per cent depending on the size and type of vessel involved, according to a Ministry of Agriculture statement released yesterday.

But the licensing restrictions will be relaxed to allow vessels to land or tranship up to an extra 15 per cent over the weekly funta provided there is a corresponding shortfall the following week.

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Croundaut meal exports to fall

NEW DELET-India expects to export only, 800,000; to 850,000 of its planned 1979-80 quota of 900,000 tomes of groundnut meal, sources at the State Trading Corporation said.

This compares with 480,000 toxnes last year. compares with about The full below target is blames on port congestion and stifficulties: with bunker fuel

UK opposes 'crazy' French ideas on lamb market

BY MARGARET VAN HATTEM IN BRUSSELS

FRENCH AND Irish attempts The French Government has mutton producers from British ducers by imposing high levies competition ran into opposition on British exports. A judgment here yesterday from Mr. Peter on the legality of this is high co Walker, the UK Minister of expected soon from the Euro-budget. Agriculture Farm ministers were discuss-

to extend the Common Agricultural Policy to sheep meat. Both France and Ireland, as producers, are anxious to protect the highly-priced French market from possible undercutting by British farmers.

French prices have, in recent years, been more than twice as high as Britain's, though the gap is gradually narrowing. British prices for the first half of this year were about 70 per cent of the French.

pean Court of Justice. The case

found to be illegal. ties of lamb and mutton to not paid by the Community. France, would like a full-scale prices and intervention buying. Since other EEC states are unthey are pressing for Community financed payments to sheep farmers to offset the

to protect their tamb and in the past protected its pro- cribed the Franco-Irish aims as "crazy," in view of the already high cost of the EEC farm

Whereas most other member is similar to that against the states appeared ready to coning EEC Commission proposals UK in relation to curbs on sider such payments so long as potato imports, which the court they were phased out over a couple of years, Mr. Walker Both the French, and the said he felt any such payments Ivish, who export small quanti-should be nationally funded.

The issue has been shelved market regime with guaranteed until the autumn, when the Commission is expected to put forward similar proposals for likely to accept this, however, potatoes and alcohol. Mr. Walker indicated that he might well oppose these also, if they looked like adding substantially to the budget.

'Hard times ahead for farmers'

effects of any drop in prices.

BY ROBIN REFYES, WELSH CORRESPONDENT

A WARNING that the farming likelyindustry is entering a new and more difficult phase was issued yesterday by Mr. T. Myrddin Evans, president of the Farmers' Union of Wales.

Speaking at the Royal Welsh Show in Builth Wells, Mr. Evans pointed out that the strengthening of sterling had effectively wiped out the room for farm price increases through devaluations of the green

The green pound gap had been closed from just over over 35 per cent in July, 1977, down to: 4.7 per cent this July. increases in transport costs. Unless the pound weakens could add over a 21 a tonne to considerably—which is unthe price of fertilisers and

-we are now entering a form feeds," he said. period in which there will be no avenue for the price incosts and increased pressures on margins, he suggested, would force farmers to borrow creases of recent years," he At the same time, Mr. Evans

record levels.
Mr. Evans said the Conservawarned the industry was faced with soaring production costs, tive Government had largely well into double figures. The Implemented its pre-election pledges to the industry at the effects of Inflation, increasing Brussels price review. There were other measures which oil prices and wage settlements in the industries serving sericulture would fuel this costs could help the industry-par-ticularly in reducing the tax "The price of fertilisers will hurden-but in spite of indicaincrease substantially, there is tions that the Government was likely to be a 20 per cent rise sympathetic towards the indusin hauloge rates and the general

World sugar values down again

BY JOHN EDWARDS, COMMODITIES EDITOR

London daily sugar price was out by, £4 to £92,50 a tonne-

On the futures market, the October position was \$2.75 down on the previous close at £99.55 a tonne, after having sunk to: £98.45 -at one stage.

of the continued decline was was another depressing influ-the rise in the value of ster- ence.

WORLD SUGAR values fell ling depressing London prices heavily again yesterday. The against the New York market. has been hit by reports that legislation authorising the U.S. the lowest level since August to ratify the International Sugar greement is now thought unlikely to be considered by Congress before it goes into the summer recess on August 4.

A selling tender by Colombia. which, as a non-member of the International Sugar Agreement As on Monday, a major cause has tended to reduce prices,

In Washington, World Bank economists forecast a slowdown At the same time, New York in the growth of world sugar production to between 2.2 and 2.8 per cent per year from 1976 to 1990, averaging below the 3.1 cent growth annually from 1960 to 1975, reports Reuter. Production is expected to reach between 121 and 127m

ties for anything more than

cosmetic assistance.

tonnes by 1990. consumption mean-Sugar while is expected to increase about 2.8 per cent per year to

Sterling rise hits metals

By Our Commodities Editor METAL PRICES came under pressure yesterday on the London markets with the further rise in the value of

Cash tin dropped by another £140 to £6,425 a tonne, making a loss of nearly £900 in the past 10 days.

The fall also reflects the easing in the supply situation with the cash price discount widening again yesterday as the three months quotation declined by only £50 to £6.537.5.

Traders claimed that copper were remarkably steady, with eash wirebars closing only £2,25 down at £799 a tonne.

aged by news that Asrco, the U.S. producer, had lifted its domestic copper price by I cent to 86 cents a pound. - Silver prices in sterling terms were lower despite the record dollar price of 958.20 cents an ounce at the morning ballion fixing. Values in London eased further when

the U.S. markets turned round

and opened easier. Lead defied the general downward trend in metals, however. Cash lead rose by \$14.5 to £543.5 a tonne, widening its premium over the three months quotation, following further reports of having by Comunist bloc countries.

New moves in Hong Kong gold futures scheme

HONG KONG-Approval for gold futures trading on the Hong Kong Commodity Exchange could come in about a month, informed sources said.

They said exchange proposals for trading in gold and soyabean futures had been passed by the Securities and Commodities Commission to the Finan-cial Secretary for further consideration.

The proposals would then have to be approved by the Executive Commission. Commodity traders said the proposed gold futures contract was similar to those traded in New York and the Chicago International monetary market. The idea was for the contracts

to be interchangeable between Hong Kong and the U.S. mer kets, although this would need the approval of the U.S.

Bauxite levy battle nearly resolved

BY CANUTE JAMES IN KINGSTON

and the five bauxite and alumina recent months by the failure of to just under 12m tonnes. companies operating on the a refining project in which Despite a recovery in aluminium island are reported to be close to an agreement which will cut the special levy on bauxite paid by the companies. The Govern- majority assets, to be built on opposition sources that the comment and companies have been renegotiating the production supply smelters in Mexico's back. levy following three years of claims by the North Americanowned companies that the taxation levels were too high.

The companies are understood to have informed the Government that their plans for expansion of existing mines, the development of new mines, and increase in bauxite refining facilities are being hindered by the high taxes. suggested that unless the levy is lowered, the industry, a pillar of the Jamaican economy, will

Investment

The Government needs new investment badly. The economy is suffering from a chronic shortage of foreign exchange despite a recently negotiated aggreement with the International Monetary Fund for access to 320m SDRs.
The country also needs new investment by the bauxite

operators-partly to help relieve an unemployment rate of 26 per cent. At the same time further investments by the North American metals transnationals might be accepted by other potential foreign investors as an indication of confidence in Jamaican ability to maintain political and economic stability. If the Government were to

satisfy the companies' request for a lowering of the bauxite levy, and clear the way for expansion in the industry, Jamaica would be in a favourable position to make full use of new market possibilities which it isnow securing.

There is, for example, a plan to sell in 1981-82, substantial quantities of bauxite and alumina to Hungary, alumina to the Soviet Union and

Jamaica was involved with demand, the volume of ore Mexico and Venezuela. The mined each year has not inplan was for a refinery, jointly creased, leading to suggestions owned, with Jamaica holding from both Government and the island's south coast, to Veracruz state, and Venezuela's Ciudad Bolivar.

The project was agreed to when Luis Echeverria was President of Mexico. But despite a personal visit by Mr. Michael Manley, Jamaica's Prime Minis-Echeverria's successor. Lopez Portillo, in an effort to secure Mexico's continuing interest in the venture, the Mexicans withdrew.

It is against this background that Jamaica has agreed to in the island are Reynolds and renegotiate the bauxite levy. Kaiser, which mine ore, and The levy was imposed four years Alcoa, Alcan and Alpart, which ago after the companies and the run refineries, Alpart is jointly Government failed to reach agreement on taxes. The Government introduced in the legislation rising taxes and increased the state's take from the industry from shout \$25m per year to over \$150m.

The companies paid under protest but warned that the high faxation levels would have very negative consequences for their overations and for the Jamaican economy.

Appeal

One U.S. company, Revere Copper and Brass, closed its 220,000 toppe refinery, the smallest on the Island, and took the matter to the U.S. Overseas ivate Investment Corporation: After several months of hearings, OPIC sugested compensation far below what Revere was asking.

appealed to the World Bankaffliated International Centre for the Settlement of Invest-ment Disoutes, where the matter has apparently died. However, the

economy has not resped all the the island's economy of the new profits it expected from the levy, infusions of urgently needed A recession in the aluminium foreign capital which The need for the mining and market in 1975 and 1976 led to bauxite companies are willing refining companies' expansion a reduction in the mining of to bring to Jamaica.

THE JAMAICAN Government has also been increased in ore from 15m tonnes per year panies were deliberately holding

The production levy is tied to the market price of aluminium ingot, having been set at 74 per cent of the average II.S. market price of aluminium. With recent increases in the market price of the metal, Jamaica has been able to recoup on what has been lost in the reduction of mining.

Wide effect

The five companies operating owned by Reynolds, Kaiser and Anaconda. Despite the reduction in bauxite production, the output of these five makes Jamaica the world's second lampest exporter after Australia.

Consequently, the outcome of the talks with the companies is likely to have an effect on hankite operation in other countries which have recently changed or are thinking of chenging, taxation policies.

It is understood that the five

companies are asking for the of the average realised market price for aluminium ingot—a figure to which the Government is unlikely to agree. It has been suggested in

Kingston that the Government

unwilling to go beyond below 6 per cent, as it fears that the economic benefits from new investment and expansion will not compensate if the levy is set below that figure. Mr. Fric Bell. Jamaica's Finance Minister, has said the

Government will not be the loser when the negotiations are concluded. But all this hangs Jameican on the compensatory value to

BRITISH COMMODITY MARKETS

CORAL INDEX: Close 465-470

INSURANCE BASE RATES

No. 001589 of 1879

In the HIGH COURT OF JUSTICE. Charactery Division. Companies Court. In the Medicar of HABACHI AND COMPANY LIMITED and in the Medicar of the Companies Act. 1848.

A periodry to wind-up the above-named company presented in 12th June 1879, by MARK ALLAN TRAVEL LIMITED at 54 Baker Street, London, W.1, cleiming to be a otaditor of the Company, will be heard at the Royal Courts of Justice. Sevend, London WC2A-2L, ga 30th July 1879; Any oraditor or contributory wishing to oppose or separate the undersigned by 1800 hours in 27th July 1878. A copy of the pention will be supplied by the undersigned on payment of the prescribed Stage.

POLLARDS, of 55/59 Oxford Street.

THE COMPANIES ACT. 1988

THE COMPANIES ACT. 1948

IN THE MATTER OF J. G. BESGROVE
LIMITED by Order of the High Court.
of Justice deted the Twelfth day of
diage. 1979. Raymond Hecking.
F.C.C.A. of Messra. Stoy, Heyward and
Partiers: 44 Baker Street. London. W.T..
have been appointed LIQUIDATOR of
the above-named Campany. All debts
and claims should be sent to me.
Dayid this 12th day of July 1979.
R. HOCKING.
Liquidator.
TECTIONSE ANTES 1948 TO 1876.

NOTICE IS HERESY GIVEN, purenant to section 293 of the Companies Act 1948, that a Machine of the Craditors of the above-named Company will be held at the utilized of BOURNER SULLOCK.

BOURNER BULLOCK
sittered at Marcol House,
289/283 Regain Strem.
London WIR 88B,
on Wednesday the 8th day of August
1579 at 11 o'clock in the formoon for
the purposes mentioned in sections
284 and 285 of the said Act.
Dated this 20th day of July 1978.
By Order of the Board,
M. UENO, Director.

EXHIBITIONS

FOSTE: Lane E.C.2. Tube St. Paul's Admit free.

Admittion free.

FIRST BERGHTON ARTTOUES FAIR. Zebt.

2001 John Uniteding Sunday. Zebt.

Eschange. Details ring Brighton 638516.

Mon. Fre.

MARIBOROUGH, 6. Albertante Subdivision of variations and travelings and free lines.

Mon. Fre. 10-8.30. Sat. 10-12.50.

16 Index Limited 01-351 2468. November Coffee 1699-1712
25 Europat Road, London SW16 0RS.
1. Tax-free trading on commodity futures.
2. The commodity futures market for the small investor.

LEGAL NOTICES **PUBLIC NOTICES**

E1.2m Bills issued 25.7.79 to mature 24.10.79 at a rate of 13.25-64%. Total applications, were £5.2m and there are £2.5m Silks outstanding.

E. SOSSEX CC.

**Lam Bills issued 25.7.79 to mature 24.70.79 at a rate of 13.25-64%. Total applications were £26m and there are £7m Bills outstanding.

First #Editorial. COUNCIL - 22.10.79 at a rate of 13.25-64%. Total applications were £1.325-64%. Total applications were £1.4m and there are £4m Bills outstanding.

**M.B. OF KNOWSLEY STRATHCZ YDE REGIONAL COUNCIL

SEM Bills issued 25.7.7 to mature
24.10.79 at a rate of 13.25-64%. Total
applications were 557m, and there are
526m bills entirements.

ART GALLERIES

AGNEW GALLERY, 43, Old Bond St.W.1. 01-629 5176. Exhibition of OLD MASTER PAINTINGS. Until 27 July. Mon.-fri. 8:30-5:30. Thurs. until 7. AGNEW GALLERY 43. Old Bond St. W.1.
OJ-629 6176. PERSIAN MINIATURES.
An Esthibition of seventeen saper from
the Houghton Shapramen. Until 24
August. Mon. Fri. 9.30-5.30. Thurs. ANTHONY d'OFFAY, 9, Dering St., New Bond St. VANESSA BELL. Mon.-Fri. 10-b. Sats. 10-1. 629 1578. RECORD FINE ART, 33, Sactifies St. W.1.
01-437 1230, MAXWELL BLOND.
Finitions and Westercolours. Until 4 Aug.
EROWSE & DAURY LTD. 19, Cork
W.1. KETTH GRANT—RECENT PAINTINGS. PA WINTER JOURNEY.

Artists of the English School.
FINE ART SOCIETY, 149, New Bond St.
W.J. 671-629 5116. SLIMMER EXHIBITION and WORKS UNDER 5500.
GALERIE GEORGE. 96-98. George Street.
W.J. 01-935 3322. Fine 19th and 20th
Centery British & European oil paintings,
water-clours and graphics at keep trace
prices. £100-£2,000. Mos.-Fr. 10-8.
MASSIETTANE

MALL CALLERIES, The Matt. S.W.1.
Watercolours by George Alexion, Mon.
471.10-5. Sate. 12-1. Until July 30.
Adm. Irec.

York promoted renewed buying here and the price rose 40-2821 below 71N Official — Unofficial — U

49, 35, Kerb: Standard, three months £6,580, 25, 10, 15. LEAD. House ahead following trade, appendictive and reported East European buying, coupled with short covering which pushed forward metal up to the day's high of 524 on the late kerb. Terrovert 8,000 tennes:

LEAD Official - Unofficial -543.5 +6.25 543.4 +14.5 523.5 +18.7 543.6 +7.5 -58.62

Morning: Cash E542, 44, 45, 44, 43, 3hree anonths E521, 22, 24, 22.5, 22, 21, 30, 23, 24, 24.5, 26, 23, 24, kerb: Three: months E521, 20, 18, 19, 21, 20, 21, 22, 23, 24.5, Kerb: Three months E521, 20, 18, 19, 21, 20, 21, 22, 23, 24.5

· ZINC - Easier in quiet tracing, with forward metal finelly £324.5 on the late kerb, ' Turnover: 8,575 tunnes. ZINO Official - Unofficial -

Cash 316.5 -4.5 514.5 -3.78 months 325.5.5.8 -5.3 325.5 -5.28 77mm 480 - 30.5 325.5 -5.3 ... ALUMINIUM—Essier mainly reflecting currency fluctuations. Forward metal trades between ESSI and (ESS oner to closing at the former price on the late keth. The backwardstion narrowed to around £7 from £12 overnight. Turnover: 1,425 topnes.

Spot 599.75 16 566-8 5 mentine 563-5 115 561-2

MCKE lost ground with forward metal finally quoted at \$2,510 on the late keth, strar a low of \$2,500, with the marks influenced by the further improvement in starling. Turnover: 1,512 tunnes.

2490.5 -37.5 2430.40 Spot 2490-5 97.5 2430-40 -125 5 months 2550-40 -180 2490-5 -112 * Gasta per pound. ‡ SM per picul. † On pravious unofficial close Marring: Those months £2,570, 50, 40, Kerb: Three months £2,520, 2,500, Afternoon: Three months £2,500, 10, 2,500, 2,935, 80, Kerb: Three months £2,500, 20,

SILVER Silver was fixed 5.0p an ounce lower for spot delivery in the bandon bullion market yesterday at 412.3p. U.S. cent equivalents of the fixing levels were: Spot S59.2c. sp 2.1c; three-month 979.7c. up 2.4c; six-month 1007.1c, up 2.4c. 36.c. spid 12-month 1037.3c. up 7.4c. The metal opened at 415-416p (961-963c) and closed at 415-4173.p (946-948c).

Cocos lutures continued to eese reflecting currency considerations to close marginally above the lows of the day, reported GHI and Duffus. Yesterd'y's + Or Business Oloss ! — Dons

Salen: 7.137

Salen: 7.137

International Cocoa Organisation (U.S. cents per pound): Daily price July 23, 146.55. Indicator prices for July 24 15-day average 148.99; 22-day average 151.96.

COFFEE

Sales: 11.628 (8,588)
ICS indicator prices for July 23 (U.S. cents per pound): Other Mild Arabicas 205.0 (210.0): Robustas ICA 1976 1956 (200.0): ICA 1968 195.76 (200.28): Colombian Mild Arabicas 205.00 (same). Comp. delly ICA 1968 203.42 (206.42).

Yesterd'ys +or Yesterdys +or Minth clase - clase -Business done—Wheat: Sept. 92.05-91.00, Nov. 96.25-96.05, Jan. 100,40-100.25, March 103.85-103.65, May 107.35-107.20, Sales. 179, Barley: Sept. 88.00-87.90, Nov. 92.10-91.95, Jan. 96.35-96.15, March 99.70-99.45, May 103.00-102.90, Sales, 118.

RUBBER

SOYABEAN MEAL The London market opened with lesses of £2.50 on beneficial rains and forecast of further showers in Midwast growing areas, reported T. G. Roddicks. Continued strength in arering put additional pressure on the market. Late in the day, stop-loss saling pushed prices to contract lows.

Sales: 187 (60):

LONDON DAILY PRICE (raw sugar): E22.90 (198.50) a tonne off for July-Sept. shipment. White sugar daily price was £94.0 (296.0).
Renewed selling found buyers retreating scale-down and prices quickly fell 100 points below overnight levels. Further losses of around 150 points accurred leter, following reports that two cargoes of prompt raws had been sold to Japan at £183.00 c. and f. before some short-covering late in the afternoon lifted prices some 100 points from the lows, reported C. Czarnikow.

Aug. ... 96.58-56.56 58.20-108.16 100.66-34.85
Oct. ... 99.56.98.90 182.78-02.40 102.48-38.45
Dec. ... 105.50-08.56 108.78-02.40 102.48-38.45
Dec. ... 105.50-08.56 108.78-08.46 108.40.02.75
May. ... 118.20-18.50 118.58-13.50 118.50-09.50
May. ... 118.20-18.50 118.40-18.50 118.50 100.50
Aug. ... 118.20-18.50 128.50-18.50 118.50
Oct. ... 121.50-22.50 122.50 122.50 123.50 125.50
Dec. ... 121.50-22.50 123.50-24.25 125.75-21.75
Oct. ... 121.50-22.50 123.50-24.25 125.75-21.75
Oct. ... 121.50-23.50 118.40-18.50 108.40
Dec. ... 102.50 123.50 123.50 124.25 125.75-21.75
Oct. ... 121.50-08.50 108.50 125.50 125.50 125.00
Dec. ... 102.50 125.50 123.50 123.50 125.00
Dec. ... 102.50 125.50 125.50 125.50 125.50 125.00
Dec. ... 102.50 125.50

Sales: 4,910 (3,297) lors of 50 tonnes.
Tate and Lyle ex-refinery price for granulated basis white sugar was 1279.50 (same) a tonne for home trade and £162.5 (£167.0) for export.
International Sugar Agreement (U.S. tents per pound lob and stowed (Caribbean port). Prices for July 23: Daily price 8.51 (same): 15-day average 8,64 (same).
White Sugar Agreement (V.S. tents per pound lob and stowed (Caribbean port). Prices for July 23: Daily price 8.51 (same): 15-day average 8,64 (same).
White Sugar Agreement (V.S. tents per pound lob and stowed (Caribbean port). Prices for July 23: 55.00, 55.00, 55.25-91.00, 170; Nov. 25.00, 97.25, 100.00-95.00, 150; Feb. 108.50, 105.00, 109.50-106.50, 61; April 108.50, 110.00, nil, nil; July 112.50, 114.00, nil, nil; Sapt. 117.00, 124,00, nil nil; Nov. 120,00, 128.00, nil, nil. Sales: 351.

SYDNEY GREASY WOOL—Close (in per fixing price contract: Oct. 405.5, 406.0, troy oz. prices at ship's side (unpricessed) per stone: Shell cod (4.60-65.5) codlings (3.00-63.60; large hand good. Prices at ship's side (unpricessed) per stone: Shell cod (4.60-65.5) codlings (3.00-63.60; large hand good. Prices at ship's side (unpricessed) per stone: Shell cod (4.60-65.5) codlings (3.00-63.60; large hand good. Prices at ship's side (unpricessed) per stone: Shell cod (4.60-65.5) medium (5.00-65.0) m

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	July 24 1979	+ or	Month ago	prevail and ac molsur
		`		Mid-W
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Cotals		1	i.	severe)
liuminium	£710/00	in gar	2710/50	daciline
Free Mitt(es)	\$1930W(1,+50	\$1.515/65	LES DON
opper				and
Ceah w'ber.	2040 0		1683	market
a men a servi	5219.30		£905.25	produc
ash Cathode	2776	-0.5		Drouge
5 mth "	\$800	-2.0	€888	rance
old troy oz.	620278 (8	+ 1.2	9898-97	Profit-t
and cash 5 mth	4990 B	+14.8	E002	Det 18
lickel	5082.0 D2005 A		£570.5	юялев
reemict of (ib)	T-OBBG-T		£5.225.4	positive
Leanning in 1 (19)	dwoets and	. 0	IN LOGUE	Helmole
latin'm tr'y oz	2168 E		2755	Cnap
Free mkt	7177 E	4 9	£202.70	83.50
uickail'yer	E205:336		S300/38	Jen. A
liver troy az	419 Zn	i—5	408.100	Jirly 85
5 months	494 30	-AR	480.70	16.8年
				Dielo]
in cash	C6,488	-140	£7.865	(67 91,
3 mtha	C6.537.5	-00	27.065	Mev 13
ungsten			\$141'OT	9\$ liv
offrm 22.64 eff.	5134140		B146/51	953.2
ne cash	£314.6	-4	£351	Jan, 🛱
Froqueers	2325.95	-3.25	2361	July 11
Producers	5846	····	5845	Jan. 10
ils 1				Hende
oconut (Phil).	21.140	-10	61.160	(8cg 0)
roundnut		i!	2	Tin
nseed Crude.	ăe53	<u>.</u>	£400	Lard-
aim Malayan.	\$6794	-5	\$700p	nom.).
abbe		, - ,		unaveil
opra Philip,	227 50	; ;	4	7 Live
yabaan (U.L.).	LESO BE	1n	\$559.76	F4.421.
	,030.01	L 14 1	4948.18	Pac Fd
rains_		ا ــــا		FIRE RALPA
arley Futures	392.1D	-D. 10	£91.95 j	71.75-71
2/Z8		1 1		AL DE LE
rench No š Am J	1107	·····	£110.0	26,535.
heat	10.5		_	
io, I Red Spg. ± ło2HardWint. £	35.5U	-1.75	100 05	
			107.25	EU
ing. Milling t	\$			
Ler		1		
coa ship't		!		
coa ship't	1,478	-35	E1,694.5	Whea

LIVERPOOL—Spot and shipment sales amounted to 62 tonnes, bringing the total for the week so far to 119 tonnes. Slow trading persisted with only minor replanishment operations taking place. Most of the interest centred on African. Turkish and Russian qualities.

| English under 100 ib 35.0 to 44.0, 100-120 ib 35.0 to 44.0, 100-120 ib 35.0 to 43.0, 120-160 ib 34.0 to 41.0. | MEAT COMMISSION—Average latstock prices at representative markets on July 24. GB cartle 81.39p per kg. i.w. (-0.81): UK sheep 138.5p per kg. i.w. (-0.1). England and Welse: Certie numbers down 3.6 per cent, average price 79.08p (-1.9): Sheep numbers down 7.2 per cent, average price 138.6p (-7.1): Pig rembers down 7.2 per cent, average price 138.6p (-7.1): Pig numbers down 5.2 per cent, average price 58.1p (-0.1). Scotland: Cattle numbers up 16.1 per cent, average price 87.38p (-0.85): Sheep numbers up 18.1 per cent, average price 87.38p (-0.85): Sheep numbers up 12.1 per cent, average price 50.8p (-0.8). | COVENT GARDEN—Prices in sterling per packet except where otherwise stated: imported Produce: Oranges—S. African: Navels 4.60-8.30; Brazillan: 4.00-4.40; Celitornian: 6.80-7.20 trailian: 100/120 s 50-5.60; Sheate: 11 trays 0.70-7.00 Granny Smith 5.00 Grape 11 trays 0.70-7.20 (-0.8). | Celitornian: 6.80-7.20 (-0.8). | Celitornia

AMERICAN MARKETS

BEARISH aentiment continued to.

and in most markets. The grains apysbeans retreated moderately as sure became widespread in the witten the part of the continued to.

West. The cattle market was used.

It was a consulated in the continued to.

It was a consulation of the continued to t

ROPEAN MARKETS

BOTTERDAM, July 24.

Wheat—U.S. No. 2 Dark Hard Winter, 13.5 per cent, Aug. \$204. - U.S. Hard Winter ordinary unquoted. U.S. No. 2 Red Winter Aug. \$193. Sept. \$194. Sept. \$305, Aug. \$205, inid-Aug./mid-Aug. \$305, Aug. \$193. Sept. \$194. Sept. \$310. Sellers. \$205. No. 2 Northern Spring, 14 per cent, July \$202.75, Aug. \$189. Sept. \$245, July \$245, Aug. \$250, 5ept. \$256, Oct. \$203.75, Nov. \$205.

Matze—U.S. No. 3 Corn Yellow affort \$182.50, July \$152.50, Aug. \$153. Sept. \$255, Sept. \$259, Oct. \$254, Nov. \$255, Sept. \$255, Sept. \$255, Sept. \$256, Nov. March \$259, April-Sept. \$256, Nov. March \$259, April-Sept. \$256, Nov. March \$259, April-Sept. \$256, Sept. \$259, Oct. \$256, Nov. Sept. \$255, Sept. \$259, Oct. \$256, Nov. Sept. \$255, Sept. \$259, Oct. \$256, Nov. Sept. \$255, Sept. \$255, Sept. \$259, Oct. \$256, Nov. Sept. \$255, Sept. \$255, Sept. \$255, Sept. \$256, Nov. \$153.75. Oct. Dec. \$156.50, Jan.-March \$162.50, April-June \$165 selfers. Aug. \$162.50 traded.

\$50yabeans—U.S. No. 2 Yellow Guil-ports Aug. \$321.75, Sept. \$319.75, Oct. \$306. Dec. \$310. Jan. \$313.25. Feb. \$316.25, March \$317.25, April-May \$318.25, June \$320.75, July \$320.105. Sales 10.

DOW JONES

1548.7 1566.3 1657.0 1411.1

(Base: September 18, 1931 = 100)

INDICES

286.61 288.59 300.96 231.85 (Base: July 1, 1952=100) MOODY'S

1090.0 1086.2 1118.2 917.4

bow July July Month Year Jones 25 20 ago ago Spot ... 410.18 412.55 428.99 352.41 F'tur's 418.82 425.57 440.51 338.03 (Average 1924-26-26-100) REUTERS

trays, green 2.50, Yellow Honeydew 10-kilos 5/14's 2.40-3.00. Water-melons—Spanish/Greek: Per box 2.00-2 50. Onions—Spanish 4.50-5.40; Maltese: 4.50-5.00. Tomstoss—Jersey: Malesse: 4.50-5.00. Tomatoes—Jersey: Per tray 1.60-1.80; Dutch: 1.80; Guernsey 2.00-2.29. Cabbages—Dutch: White, net 8.00. Potatoes—Cyprus: 3 60; Jersey: Per pound 0.07; Capsicums—Dutch: 2.60. English Produce: Potatoes—New croper beg 2.10-2.30, Lettuce—Per 12 round 1.20-1.30, Cos 1.20, Webb's 1.20. Mushrooms—Per pound 0.60-0.70, Apples—Per pound Bramley 0.65-0.09

Robustas opened sharply lower once again to continue the recent bearish trand, reported Disasi Bumham Lambert. In the attendon progressive selling, which eventually triggered a stop-loss operation, contributed towards the market's easier tendency and values finised around the lows of the day when support failed to gain any real attength. Prices closed \$108.00 to \$128.5 down on the day.

GRAINS

BARLEY

103.00-102.90. Sales, 118.

HGCA—Location ex-farm spot prices, Feed bartey: Barks. and Oxon 85.50.

The UK Monatary Coefficient for the wask beginning July 30 is expected to decrease to 1.527.

IMPORTED—Wheat: CWRS No. 1 13½ per cent unquoted. U.S. Dark Northern Spring No. 2 14 per cent. July 95.50; Aug. 94.50; Sept. 95.50, transhipment East Coast. U.S. Hard Winter 13½ per cent. Aug. 96.5, transhipment East Coast. EEC unquoted. Maize: U.S./French July 107. Aug. 108 transhipment East Coast. EEC unquoted. Maize: U.S./French July 107. Aug. 108 transhipment East Coast. South Airican White unquoted. South Airican White unquoted. South Sept. unquoted fob Aug. unquoted. Sept. unquoted. Oct. Dec. 93.50 East Coast. Jan., Merch. 100.50

East Coast. Sorghum: U.S./Argentine unquoted. Octs: Scandinavian laed unquoted.

WOOL FUTURES

August).			
No. 1 R.S.S.	Yesterd'ya Olose		Business Done
Aug	57.50-58.40	99.20-kp.25	30.00.53.2
Sapt Out-Dec	58.50-60.00(60.70-60.80	80.90-81.40 88.85-83.16	61,80-80,7
AprJne	63.50-85.55 65.70-65.76	85.75-85.80 88.05-88.10	66.95-66.7

Jly. Sept 67:80-87:88 70:50-70:40; 69:20-97:80 Oct. Dec 70:20-70:50 72:56-72:76 71:52-70:39 Jnn.-Mar72:58-72:50; 74:86-72:07 75:80-72:55 Apr. Jne, 76:90-76:06; 77:80-71:86; 78:18-74:88 Sales: 846 (344) at 16 tonnes and 3 at 5 tonnes. Physical closing prices (buyer) were: 20 Spot 57.0p (59.53p); Aug. 62.50p nom. (64.25p); Sept. 62.75p nom. (64.50p).

Yest'rd'y +or livainess Closs Done

SUGAR

Sugar Pref. Yester. Previous Business Comm. day's Close Done Con. Close

PRICE CHANGES

	Name and	(American)	NEW YORK, J
	July 24 1979	+ or Month	THE BEARISH sentiment continued in most merkets. The and soyabsens retrained moder moisure became widespread Mid-West. The cattle market
um Mict (ee)	£710/50 \$1520/10	£710/89 +50 \$1.515/65	slightly while the pork complexersly depressed with son declines. Continued liquids response to warmer weather and lower prices from C.
thode	£818.25 £776 £800	-2.25 £891 -1.5 £905.35 -0.5 £865 -2.5 £886	resulted in limit declines in the market, Lack of trade buying it produced minor losess. Sur- cotton are consolidating over a
#h	£543.5 £822.5 £3225.4	+ 1.2 :6282.37 +14.8 £602 +19.15 £970.5 £3.225.4 ,5 270 :5860	rance with only fractional Prolit-taking in aller and opid net take in odd but created ionnes in aller. Copper is positively, adding daily to its no
itr'y oz nkt 'ver	2155.5 £177.5 \$285/310	2185 49 £202.70 5 :5300,58 6 408,100	Helmold recorded, Cooper—July 83,35 (82,00) 83,50 (87,10), Sept. 84,00, nec Jan. 84,70, March 85,10, Ma- July 85,40, Sept. 85,55, Dac. 85
ths 	484.5p 26,4 25 26,537.5	-5.5 480.7p -140.27,865 -50 .27,085 -141.61	85.80, March 83.90, May 86.00. Printons fround whites — Nr (67.9), March 88.5 (88.5), Apri May 136.6.
2.64 off sh ths	51341 40 5314,6 £325.95	-4 £351 -4 £351 -5.26£361	\$\$\text{Wer} = July 843.2 (950.2) 953.2 (951.2), Sept. 854.0, Rec Jan. 893.5, Merch 896.9, May July 1993.7, Sept. 1997.1, Rec, Jan. 1063.1, March 1078.5, May
(Phip.	£1,140#	_10 s1,160	(gcan)

Nominal. † New Grop. † Unquoted In tonnes, unless otherwise stated, p August. & July-Aug. r Sept. W-Sept. Oct. x Oct. y-Nov. x Indicator. § Buyer.

FINANCIAL TIMES July 23 July 20 M'nth agol Year ago

July 23 July 20 M nth ago Year ago July 24 July 25 M'nth ago: Year ago

round 1.20-1.30, Cos 1.30, Webb's 1.30.

Mushrooms—Per pound 0.60-0.70,

Apples—Per pound Bramley 0.05-0.09,

Rhubarb—Per pound outdoor 0.04,

Tomatoes—Per 10-16 1.20-1.70,

Cucumbers—Trays 8/18's 1.00-1.80, prepack 1.20-1.80, Cauliffowers—12's

Lncoln 2.30-2.80, Calery—Boxes 12/

30's 1.50-1.60, lorge carrons 20/24's

2.80, Strawberries: Per 1-16 0.15-0.25,

Geoseberries—Per pound 0.76, Levellers

0.20-0.25, Cherries—Per pound 0.30
0.35, Pess—Per, pound 0.07 Broad

beans—Per pound 0.05, Onions—Per
bag 5.00-5.20,

Strong pound augurs well for Gilts on eve of long tap stock applications—Equity sections overshadowed

Account Dealing Dates

*First Declara- Last Account Dealings tions Dealings Day July 16 July 26 July 27 Aug. 6 July 30 Aug. 9 Aug. 10 Aug. 20

Another sharp upswing in sterling on foreign exchanges vesterday morning ensured a also continued. fresh bout of strength in Governtenders for the largest-ever tap stock issue of £1.5bn, Only £15 is payable on application, and the stock, Treasury 11? per cent the stock, Treasury 113 per cent was standing 1.7 higher but it an effective 2003-07, is being issued on a slipped to close only 0.3 better per cent. basis which is now looking attractive enough to ensure a big demand from overseas and the domestic institutions. in the market was that the issue is likely to be over-subscribed. and that it could soon command a premium in first-time dealings

The all-round strength of Gilt-edged was the lone feature in leave maximum gains in the

ranging to a point among the initial prop to leading shares, although investment incentive Aug. 13 Aug. 23 Aug. 24 Sept. 3 for the latter was again lacking because "New time" dealings may take industrial imponderables. The industrial imponderables. tendency to reserve funds for potential sales of Governmentheld stock in selected concerns

> When tested, the improvement substance and values began to drift back with few exceptions. on the day at 467.0. Notably, NatWest Bank responded to interim profits at the top end of market expectations, although enthulasm was tempered by

225p

LONDON TRADED OPTIONS

otherwise subdued and drab longs of 5, but after the official shire firmed 5 more to 425p. By stock markets. Fresh early rises close of business inquiries began way of contrast, Timber issues stock markets. Fresh early rises close of business inquiries began ranging to a point among the to expand again and prices longs at one stage provided an firmed once more. Most interest was naturally directed at the longs, but the shorts showed improvements extending to 1, usually among low-coupon issues and Treasury 3 per cent 1983 ended that much higher at 83.

Although investment currency rates were automatically lowered in line with the rising pound. fresh bout of strength in Govern-ment stocks on the eve of today's in equities was found to lack cushion the decline and despite substance and values began to sterling's strong final advance. the premium closed only 13 At noon, the F.T. 30-share index points down at 191 per cent for an effective level of nearly 7 per cent. Yesterday's S.E. conversion factor was 0.9374

> The recent revival in Traded of market expectations, although enthulasm was tempered by thoughts that the dividend payment could have been more generous.
>
> All Gilt-edged quotations eased away from the day's highest to law maximum gains in the law max Options continued and a total of 1,143 contracts were

Natwest better

NatWest closed 5 up at the day's best of 355p with interim profits at the top end of analysts' estimates outweighing the slightly disappointing dividend payment and the Board's cautious remarks concerning second-half prospects. Still reflecting adverse comment on the first-half figures, Lloyds lost 5 to 318p. Barclays, the next to report half-yearly results to morrow, ended unaltered at 466p. Irish issues took a turn for the better with Allied up 4 at 108p and Bank of Ireland 7 better at 322p. In irregular merchant banks, Wintrust edged forward 2 to 92p but Kleinwort Benson lost Insurances displayed an easier

bias after a quiet trade. A firm undertone was apparent in Breweries, but the level of trade remained negligible. Scottish and Newcastle hardened 1½ to 65½p, while Whitbread closed at the overnight level of 133p, after 131p, following the annual meeting. In secondary issues, Belhaven recovered slightly from recent duliness to close at 47p, while support was forthcoming for old speculative favourite Sandeman, 2 up at 85p. Luis Gordon also found support and finished 3 to the good at 40p. picked up 3 to 235p. Distillers

ments in the Building group, Newarthill came to life with a rise of 6 to 172p, while Derek Crouch, reflecting the company's coal mining interests, encountered support and moved up 10 to 183p. Still on recent Press

took a distinct turn for the worse. Phoenix Timber, at 130p, gave up the previous day's rise of 7, while further profit-taking left Parker 8 cheaper at 182p. Losses of around 3 were marked against. Mallinson-Denny, 644p, and May

and Hassell, 77p.
Among Chemicals, ICI hardened a penny to 327p as recent offerings dried up.

Kitchen Queen down

A firm market of late. Kitchen Queen reacted 3 to 57p in the wake of Monday's announcement that the Industrial and Commercial Finance Corporation has sold its 6.7 per cent stake in the group to a number of institutions. Down 10 the previous day following a placing of 51m shares. MFI continued easier at 158p, down 2, while falls of 7 and Bambers, 131p. and J. Beattle A. 180p. Rosgill, on the other hand, hardened a penny to 35p in response to the annual profits upsurge. A. Goldberg improved 3 to 78p, while Wallis, at 72p retrieved 2 of the sharp fall which followed the Board's bearish remarks about current year prospects. Helped by a favourable broker's circular, British Home, 250p, and Gussies A, 388p, firmed 2 apiece. Among turned reactionary on profit-taking; the old cheapened 7 to 162p and the new nil-paid gave up 4 to 54p.

Electricals put on another lacklustre performance. Eurotherm took a turn for the better and put on 8 to 308p, while Electrocomponents rallied a few pence to 437p and scattered support lifted Mulrhead 4 to 228p. On the other hand, Dewhurst "A." 13jp, and Ward and Goldstone, 92p, eased 1 and 2 respectively to new lows for the year. Leading issues rarely strayed far from overnight closing levels.

The chairman's warning of appreciably lower profits in the first half of the current year prompted selling of Staveley which fell away steadily to close around the day's lowest with a in a rather quiet Engineering sector, Spirax-Sarco closed 2 firmer at 202p, after 205p. following favourable Press mention. penny lower at 29p, after 31p, despite the sharp increase in interim profits. Averys gave up 4 to 246p and losses or a lew pence were marked against Hawthorn Leslie, 77p, and Expanded Metal, 71p, while smaller-priced issues to give 4 to 246p and losses of a few ground included M. Mole, down at 180. Among the leaders.

closed 2 better at 163p following occasional buying interest.

Foods remained in subdued

mood and displayed few movements of note. Cliffords Dairles eased 2 to 86p, after 83p, as speculative support diminished with the A closing 4 off at 76p. Uniquie, thought to be a possible suitor for Cliffords, added 2 to 95p. Favourable Press comment belped Bernard Matthews to a rise of 3 to 300p, while demand in a thin market left William Morrison a like amount up at 158p. Among the leaders, Rowntree Mackintosh, 180p, and Associated Dairies, 285p, both put on 2.

Further reports of lower hotel bookings due to the current strength of sterling had little effect on the Hotels sector. Trusthouses Forte eased 2 to 145p, as did Savoy A, at 104p, but Grand Met added 2 to 143p. Full-year results from Wheeler's Restaurants failed to lift the shares above the opening level of 350p, being outweighed by the chairman's warning over

Siebe Gorman relapse

Miscellaneous Industrials were

featured by a late relapse by Slebe Gorman which fell 32 to 168p on news of the annual profits setback. Still concerned about the pending sale of the NEB's 2442 per cent shareholding, ICL cheapened 4 to 436p, to 1294 to the accompaniment of reports of a large line of shares overhanging the market. Centreway Securities lost 8 to 336p and Vinten receded 6 to 148p, while Leadenhall Sterling

declined 5 to 100p as did Applied Computers, to 195p. Channel Tunnel, however, jumped a further 25 to 130p on renewed speculative support on hopes that a tunnel may yet materialise. B. and I. Nathan put on 3 to 69p in response to Press comment and Brengreen hardened 11 to 21p for a similar reason. Highgate and Job closed unaltered at 48p; the price in yesterday's issue was incorrect. Quiet trading conditions Quiet trading conditions prevailed in the leaders which

closed mixed. Beecham lost 3 to 532p and Unilever cheapened 2 afresh to 4\$2p but Bowater edged up a penny to 154p as did Turner and Newall, to 119p. Caledonian Associated Cinemas

again met with support and put on 10 for a two-day gain of 30 at 30p to the accompaniment of bid talk. Motor sectors plotted

irregular course in a subdued trade. Relis-Royce, at 72p, recovered 11 of the previous response to the annual results. Lex Service added a similar amount to 93p; the interim statement is expected next Tuesday. Appleyard, 81p, and Henlys, 107p, both put on 2, but Harold Perry gave up that amount to 126p Dowty rose 4 to 318p anticipating good earnings from Chinese mining equipment orders. recently firm Flight Refuelling came in for profit-taking and feil

announcement that Investment had disposed of its entire 18.2 per cent interest in Property Holding and Investment Trust through the market at around 360p per share, prompted a rise of 5 to 147p in the former 367p in the latter. Stock Conversion rose 4 to 374p in front of today's preliminary results, while similar improvements were recorded in Bradford, 427p, and

Warnford, 424p.

Oil shares held up reasonably firmed a penny to 144p.

Profit-taking was again evidentin the Shipping sector
Despite the virtual standstill in interim profits, Allied Textile closed 4 better at 144p, buoyed by a useful dividend increase and the 20 per cent scrip issue.

Golds easier

South African Golds failed to firmness of the bullion price, as nervousness over the latter's ability to sustain its recent scattered selling. This was American selling in noon as the bullion price dipped a dollar from its morning levels. The Gold Mines index gave up 2.5 to 161.5, with sterling prices additionally weakened by a lower investment premium, while the ex-premium index eased 1.0 to 151.7 Among heavyweights, losses of I

6 cheaper at 451p and Hawker day's fall of 41 while, among eased 4 to 188p, but Vickers Distributors, Arlington firmed a moved against the trend and couple of pence to 105p in

· Among printing. Woodrow Wyatt hardened a penny to 32p following the return to profits and the company's guarded confidence over current trading. Advertising agency Saatchi, on the other hand, eased 4 at 120p.

but brought a reaction of 3 to

Oils little altered

well despite the prevailing quiet conditions. British Petroleum drifted a little easier to 1.225p. down 5, but Shell traded quietly around the overnight closing level of 334p. Among secondary issues, Siebens (UK), helped by late support, closed 10 firmer at 230p, while Oil Exploration. edged up 2 to 234p and Burmah

FINANCIAL TIMES STOCK INDICES 75.37 78.48 73.57 73.08 71.06 75.36 74.96 74.56 74.72 74.72 74.96 78.88 467.0 466.7 471.2 471.9 478.0 478.0 486.4 161.7 164.3 169.9 161.7 171.0 171.7 178.4 Gold Mines(Ex-\$ pm) 151.6 152.7 150.4 1153.4 158.9 154.6 179.1 6.78 6.78 6.73 6.70 5.71 6.60 Ord. Div. Yield ... Earnings, Yld. X (full) 17.06 17.06 16.93 16.87 16.91 16.63 16.80 P/E Ratio (net) (*) 7.34 7.34 7.59 7.45 7.44 7.56 Total bargains 15,869 15,500 15,180 15,859 17,615 17,012 7.56 8.05 Total bargains.... 78.66 67.38 69.89 85.69 76.27 84.67 10 am 486.8. 11 am 468.0. https://dex.st. 1 pm 467.7. 2 pm 467.1. 3 pm 467.0. *Nil=7.04 Besis 100 Gove Secs. 15/10/26. Fixed for 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. Ex-S premium index started June, 1972. SE Activity July-Dec. 1942. HIGHS AND LOWS 1979 - Since Compilat'n [Low] High | Low 66.08 150.4 50.53 (15/2) (26/11/47) (3/1/75) 446.1 558.6 49.4 (12/2) (4/5/78) (26/6/40) 43.5 (28/10/(1) 129.9 442.3 (17/4) (22/5/75).

around a half-point were of 5 to 245p following the common to Randfontein, £25i, increased half-yearly profits and Hartebeest, £14i, Vaal Beefs, higher interim dividend. West Driefontein, £22. In the

Western Deep gave up 14 to 799p and Libanon 10 to 529p. South African Financials were similarly lower. UC Investments,

Rio Tinto-Zine gave up 2 more to 254p still reflecting the Rio came in for modest support and sharply increased profits of Amax, in which Selection Trust

DEALING DATES:

Last For Deal- Declara- Settleings ings tion ment. July 24 Aug. 6 Oct. 18 Oct. 30 Aug. 7 Aug. 20 Nev 1 Nov 13 Aug. 21 Sept. 3 Nov. 15 Nov. 27 For rate indications see end of

Share Information Service Calls were dealt in Shell, Lawson and Christy Brothers.

Barker and Debson, De Beers Defd, Cons. Gold Fields, ICI, Grand Met. Burmab, Town and City, Spillers, Silvermines Hongkong Bank, Siebens (UK) Bryant Hidgs, Duple and William Press. A put was done in William Press, while double options to be arranged included Lesney, Premier Oil, Fairbairn

ACTIVE STOCKS

	-,	4104		 A 1 (1) (1) (2) 	— 5 - 1 - 2 - 2 - 2 - 3 - 3 - 4	7. 7. 3
	Denomina-	of (Closing	Change.	1979	1979
Stock				on day	high	low
ICI	£1 700	10	327	+ 1	415	325
BP	£ T	9	1,225	. — 5	1,295	882 -
Shell Transport	25p	``8	334	ing the second	402	278
NatWest Bank		7	355	. 十 5	406	278
Turner & New		. 7	119.	+ 1	176	118
BAT Inds	25p	8	265_	+ 3	- 362	255
Boots	25p	- 6	188	-1	- 238	184
European Ferr	es 25p	6	1201	. 一 45.	183	121
Imperial Group	25p	. 6 -	914	7件。[47]	108	82
Marks & Spend	er 25p	6	. 112 -	1	- 134	83
BOC Intl	25p	. 5	73		81 <u>F</u>	661
Courtaulds	25p	5	85	***	122	84
GEC	25p	- 5	361	** **********************************	456	311 -
GKN	£1	5	282	· 十 1 2	- 308 -	226
Lloyds Bank	£1 · · · ·	√5 −	318	े - -5 -	- 360	272 -

APPOINTMENTS

TSB senior executive post

Mr. David B. Thorn has been appointed the new deputy chief general manager of the TRUSTEE SAVINGS BANKS CENTRAL BOARD in London to succeed Mr. J. F. D. Miller, who retires on October 31. Mr. Thorn joined the TSB Central Board in 1975 and is at present general manager (finance) with responsibility for finance, inspection, legal and corporate planning

Mr. G. P. H. James is to be appointed deputy managing director of ELECTROLUX from marketing director.

Mr. J. L. Mills has been appointed financial director and Mr. D. E. Watts a non-executive director of HAWKINS AND TIPSON.

Mr. Ben Williams is to become a regional director of the South Midlands regional Board of LLOYDS BANK which sits under the chairmanship of Mr. R. O. Sieel at Aylesbury. Mr. Williams, who retired from the bank in May of this year was an assistant general manager. His new appointment takes effect from September 1.

Mr. L. C. A. Newnham has been appointed to the main Board of BRIDON. Mr. Newn-ham, who is chief executive of Bridon International, has also been appointed chairman of that company in succession to Mr.

A. S. Watts and takes over responsibility for the overseas activities of the group outside the UK and Europe. Mr. Watts will continue to be a director of Bridon International in addition to his position as director and deputy chairman of Bridon.

Mr. R. J. Hart has been appointed business development manager of the GUTHRIE COR-PORATION. He succeeds Mr. F. S. K. Baron, who is now chief COJANA COATS AND SUITS. executive of Guthrie International. Mr. Hart returns to for 10 years—and was previously group headquarters from Kuala factory manager. Lumpar where for three years he has been marketing director of Kumpulan Guthrie Sdn. Bhd..

trol the marine department.



February

Mr. David Thorn

director of ANGLO AMERICAN INDUSTRIAL CORPORATION and of PRESIDENT STEYN GOLD MINING COMPANY. Mr. Jacques Desmidt, a manager in Anglo American Corporation finance division, and Mr. Aubrey Dickman, economic consultant to that company, have joined the Board of ANGLO AMERICAN GOLD INVESTMENT COM-INVESTMENT COM-

Mr. lan C. Cotterill has been cently acquired by Midland Bank. September.

Mr. Malcolm Levene has been appointed technical director of COJANA COATS AND SUITS. He has been with the company

has been marketing director of Kumpulan Guthrie Sdn. Bhd.. responsible for the marketing and distribution world-wide of that subsidiary's products—principality paim oil and natural latex.

Mr. R. M. Gibbs has joined HUGH PAUL AND CO. as a director, with special responsibilities for construction and engineering business of the group. Mr. Gibbs will also control the marine department.

**

The CHARTERED INSTITUTE OF TRANSPORT has elected the following 10 new ordinary members of the Council for the 1979-1980 session to fill vacancies created by retirements: Mr. I. F. Dallison, Mr. D. Fowler, Mr. R. N. Hayes, Ms. M. J. Heraty, Mr. M. O'Riain, Mr. F. Paterson, Mr. G. Samuel, Mr. J. K. Stuart, Mr. J. E. Vickers and Mr. R. J. Bull.

Mr. Brian R. Temple has been appointed to the Board of MILES co-ordinate special projects. For SMITH ANDERSON AND GAME. He will continue as managing director of Miles Smith Reinstrance as operations of the Air Taxi vice-chairman of the Air Taxi Operators Association.

LEGAL EXECUTIVES for 1979-1980. Mr. L. I. Raven-Hill has been appointed vice-president.

Mr. W. J. Jones, sales director of Midland Extrusions, has re-signed from all his industry commitments with the ALUMI-NUM EXTRUDERS ASSOCIA-TION and the ALUMINIUM WINDOW ASSOCIATION to take early retirement from August 31. His successor as chairman is Mr. Kevin Jones, sales director of

Mr. Philip F. Taylor has been appointed an assistant director of BANK JULIUS BAER INTERNATIONAL from August 1.

Mr. Michael D. Pletcher, sales director UK for the Restall Production Design Group, has been appointed chairman of the Midlands branch of the BRITISH CONTRACT FURNISHING ASSOCIATION in place of Mr. R. Grant. Mr. Fletcher will remain on the national council of the BCFA.

Mr. A. J. Keeler has been appointed to the Board of HOGG ROBINSON (TRAVEL).

Mr. B. K. Fitzsimmons, Mr. C. J. Dickens and Mr. G. M. Whatling have been appointed to the Board of HOGG ROBINSON AND GARDNER MOUNTAIN INTERNATIONAL, part of the Hogg Robinson Group.

appointed chief accountant of FORWARD TRUST, a subsidiary of Midland Bank. He succeeds ZEALAND in London in succession to Mr. G. S. Blanshard, who financial controller of ASSO-CIATED SECURITIES FINANCE, the Australian finance house based in Sydney and retently acquired by Midland Bank. September.

Mr. P. M. S. Hedgeland has been appointed a director of CITITEL CONSULTANCY.

Mr. J. A. Dennis and Mr. A. L. M. Eastick have been appointed managers of ALEX-ANDERS DISCOUNT COMPANY from August 1.

New chairman at National **Carbonising**

Mr. Graham Ferguson Lacey, a member of the Board of National Carbonising Company,

Reinsurance.

**Vice-chairman of the Air Taxi Operators Association.

**General C. A. Fraser, former South African Consul-General to Iran, has been appointed a president of the INSTITUTE OF Counties Trust.

**Wr. Lacey's interest in National Carbonising now stands at 27.05 per cent, through Birmingham and Midland president of the INSTITUTE OF Counties Trust.

NEW HIGHS AND LOWS FOR 1979

NEW BIGHS (17)

John Brown drifted off to close

Gordon (L.) ELECTRICALS (1) Cableform ENGINEERING (1) Spirax-Serco
FOODS (2)
Haziewoods (Pty.) Matthews (IL)
MOUSTRIALS (2)
Provi, Laundrios United Gas Indi,
West (Woodney)

Wyatt (Woodrow)
TEXTILES (1) Miller (F.) Lenden & Liverpool
Oils (1) Aran Energy

NEW LOWS (102) CANADIANS (5)

RISES AND FALLS YESTERDAY

373 656 1.507

E8. + 0

RECENT ISSUES

	QUITIE	5
9	Stock	를 위상 등 9

F.P. 24/8 75 60 Arrow Chemicals 71 b2.0 2.5 4.01	
80 F.P. 11.71 91 75 8 2 Q (Retail) 5p	17.4 6.9 — (3.6

FIXED INTEREST STOCKS

Price 4	Am unt Paid up Catest Renuno Date	1979 High Low	Stock	Olosing Price &	+or
100 100 100 100 100 98	F.P. 21/9 F.P. 20/7 F.P. 27/7 F.P. 20/7 F.P. 50/8 £10 24/8 £10 18/10	1014 95 115 1074 102 884 102 100 213 £121	Sund, & S. Shields Water 8% 1986	861 ₂ 95 11 <i>5</i> 881 ₂ 1011 ₂ 213 £13	2 2

"RIGHTS" OFFERS

PTICE	I E굶 I	. Da	te	a ———		Stock	820	-
p:	Pag	9		High	Low	<u>_</u>	ᅙᆃ	<u> </u>
36	F.P.	9/7	10/8	: 40	361a	Causton Sir (J.)	2912	
65	F.P.		10/8			Century Oils		1
5212	F.P.	10/7				Combined English Stores	68	}
30 -	NII					Control Securities		
25	Nii	3/0	. 24/0					
195	F.P.	00.0		4pm		Edinburgh & Gen		
100		20/7,		223		Elliott (8.)		
	F.P.					Geevor Tin		******
60	Nil	3/8		19cm	17pm	:Goidberg (A)	19pm	+2
126	F.P.	29.6	10/8	146	151	Grand Metropolitan	141	
50	Nii	6:8	31/8	71pm	50am	Hanson Trust	54 pm	
47	Nil	30.7.	28:8	Znm	lanm	Hargreaves	6pm	+ ī
88	NH i	27/7:	24.9	11pm	3nm	Highland Dist	11nm	
165	F.P. :	13/7	24/8	208	1821	Holt Lloyd Intl		
(10	F.P.	5/7		114				
154 i	F.P.		07.7	188		Intl. Timber		+1
		13/7						
Sct	Mari			110		McCorquodale		
		- 1	- 1	1pm	Nii	Ovenstone,	Mil	-1
10 i	F.P.	3216	20/7/	270	225	Peterson Tennant	225	
165	F.P.	15/6	27:7	300		Simon Engineering		+2
60 -	F.P	20/7	10.6	190		Sound Diffusion		·
109	Nil	27,7	10/0	500	180	Stylo Shoes	64	
	FP I	20/7	PO 10	oνδiu!	7 DOI:	30 IU 311042	SEC.	+12
	F.P.	13/7	24/5	110		UBM		T12
<u> </u>	1.6.	23(F)	TOIR!	110 ;	34	W.G.I	103	
R	anunci	A7:00 d		ا معالمین	Ann de	a fac deciles from all attents duties	S. C.	

Renunciation date usually last day for dealing free of stemp duty. b Figures based on prospectus estimate. a Assumed dividend and yield. a Forecest dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. S Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Penoe unlass otherwise indicated. I I saued by tender. Ill Offered to holders of ordinary shares as a "rights." I Issued by way of capitalisation. §§ Reintroduced. It Issued in connection with reorganisation, marger or takeover. Ill Introduction. Ill Issued to former preference holders. Ill Allotment letters (or fully-paid). Provisional or partly-paid allotment letters. † With warrants. †† Unlisted security. ‡† Issued as units comprising 2 Income shares and 10 Capital shares at 125p per unit.

FT-ACTUARIES SHARE INDICES

	EQUITY GROUPS	T	ues.,	July 2	4, 19	79	Mon. July 23	Fr. July 20	Thurs., July 19	Wed., July 18	Year ago (approx.
	& SUB-SECTIONS		4.3	Est	Gross			17.		girl v	17.0
Fig	tres in parentheses show number of stocks per section	Index No.	Day's Change %	Earnings Yield % (Marc)	Yield % (ACT 14.30%)	[(Net)	Index No.	Index No.	Index No.	Index No.	index.
1	CAPITAL COORS (172)	241.89	-	17.78	5.83	7.28	241.88	2311	241.89	242.98	222.49
2	Building Materials (27)	224.91	+0.1	18.61	5.90	7.00	234.75	225.83	273.44	225.24	- 201.55
.3	Contracting, Construction (28)	355.26	+0.2	25.68	5.88	4.87	354,48	356.06	354.43		353.79
4	Electricals (15)	585.45	+0.2	13.32	3.97	10.31	584.11	587.32	. 585.66	587.33	
. 5	Engineering Contractors (12)	385.54	- ÷	28.80	6.10	6.81	385.46	385.87	382.17	384.59	328.81
6.	Mechanical Engineering (74)	177.75	-0.4	18.87	5.47	4.75	178.39	179.58	·179.07	17936	179.57
8	Metals and Metal Forming(16)	16618	_	19.67	9.01	6.38	166.25	167.34	145.94	166.23	147,02
11	CONSUMER COOKS (DURABLE) (52)		+0.2		Carlon Control			July 25.	1000	Part 3	1
並	Lt. Electronics, Radio, TV (16)	227.15		16.00	5.03	7.96	225.62	227.59	225.53	227,33	263,85
13	Household Goods (12)	314.53 152.00	+0.2	12.50	3.71	18.64	31579	315.67	313.92	315.44	242.48
14	Motors and Distributors (24)	111.68	+0.3	19.96 23.44	351	6.17	151.81	153,14	151.65	154.95	181.83
	CONSUMER BOUGS	111,00	79.3	23.44	7.45	514	111.38	11317	113.10	113,29	127,16
21	(NON-DURABLE) (171)	232 05	+02	16.83	603	742	231.70	-		-	diam'r.
.22	Brewesies (14)	276.52	+63	1617	. 547	7.30	275.56	233.70	233.46	233.74	210.30
.23	Wines and Spirits (6)	327.81	+11	16.76	5.48	7.45	378.28	277.19 326.98	277.92 318.32	275.83 309.57	230.12
24	Entertainment, Catering (17)	306.91	+0.5	15.21	6.63.	813.	305.40	310.12	308.14	303.63	272.67
25	Food Manufacturing (19)	196.00	-01	20.19	6.60	616	19611	195.81	ISLE	20010	258,70 200,83
26	Food Retailing (15)	299.56	+0.4	12.02	4.22	10.36	298.46	380.88	308.39	30216	217.46°
32	Newspapers, Publishing (12)	407.05	+0,1	23.08	7.15	6.10	406.84	407.25	406.90	403.62	404.75
33	Packaging and Paper (15)	121.56		24.18	917	5.35	121.58	121.81	121.53	121 56	136.78
34	Stores (41)	246,18	-03	12.13	419	18.84	240,90	202.65	243.35	243.74	196.42
35	Textiles(23)	154.91	-0.2	23.54	9.83	538	155.15	256.54	157.33	158.95	178.52
36	Tobaccos (3)	232.33	+8.9	24,70	957-	4.60	230.25	231,94	232.0	233.30	253.52
37	Toys and Games (6)	67.54	+0.2	33.72	9.97	3.56	67.39	68,11	58.A7	69.02	11111
41 42	OTHER GROUPS (99)	196.17	-0.3	16.27	639	7.58	196,75	19816.	198.83	199.67	203.85
43	Chemicals (18) Pharmaceutical Products (7)	271.80	+83	18.67	7.10	6.25	271.49	27425	276.02	274.71	291.88
44		213.40 116.82	-0.3 -0.8	13.14	:.5.32	2.30	214.88	214.61	215.52	215.28	266.80
45	Shipping (10)	453.82	-3.4 -3.4	17.17 10.36	7.30	.731	117.0	117.46	116.97	11933	130,44
46.	Miscellaneous (58)	234.54	-0.3	16.64	6.61	.12.93	460.17	468.13	4921	473.12	414.52
49		232.43	-0.5	16.88		.7.77	235.31	237.25	237.37	231,99	214,22
51		647.81	-8.2.	12:26	5.99	7.46	23239	234.94	233.74	254.0	218.38
59			-0.2.		5.20		64332	(5L07	48.33		4516
11		265.96	_	16.06	5.85	7.65	266.03	258.98	237.24		214
62	Banks(6)	232.79	-0.2 +0.1	29.62	5.42		181.93	190.45	1966	192.40	167.51
63	Discount Houses (10)	258 58	-0.4	CARC	5.10	- 433	232.57	235.15	236.51	239.71	188.42
64		162 18	-0.2	20.46	7.09 · 5.35 :		259.65	259,99	263_36	262 00	203.85
65	Insurance (Life) (IO)	143.51	-0.9	20,70	6.83	6.26	162.47	163.34	163.30	167.15	159AT
66		329.77	-0.2		7.54	· — .	151.22	151.57	151.92		140.06
67		237.80	-0.9	21.05		_	120.01	120.77	I20.88	171.94	129,40
68	Merchant Banks (14)	-96.66	-11	-7-62	7.71	6.79	239.94	241.67	240.53	24234.	349.23
69		356.72	+0.3	3.88	5.71	— . 34	97.76	78.36	98.60	91.74	40.31
70	Miscellaneous (10)	120.39	-13	15.46	2.49	48.42	35:71	351.24	351.44	358.24	241-33
71		204.42	-01	-3.00	7.41	8.29	121.91	122.57	123,14	123.73	100.74
81		113.23		37.	5.51		294.52	265.16	205,78		725.A1
91		326.00	-0.4	17.59	6.67	:6.97	133,72	II LU	115:24	11781	191.92
99		220.UU -	-01	16.68	7.64	7.34	325.28	329.89	-330.56	332.98	326/72
		AD 14	-U.I	1	5.81	. .	20.35	25.21	244.71	2577	222.55

۰۲	99	ALL-SHARE INDEX	(750)	2/	319 -	0.1	- `]	5.81 - 265 2621 247 267 225				
		FIXED INT	EREST P	RICE IN	DICES	FIXED INTEREST Ties, Mon. Mon. Mon. Mon. Mon. Mon. Mon. Mon.						
		British Government	Toes, July 24	Day's change	ozd adj. today	xd adj. 1979 to date	123	Low				
	2	Under 5 years 5-15 years	105.64 138.83	+0,16 +0,59		4.94	4 5 6	Medium 5 years 12.09 12.17 11.17 12.09 12.07 11.95 12.09 12.07 11.95 12.16 12.				
	.4	Over 15 years	126.34 141.46	+0.59 +9.93		7.94 7.24	7 8 9	/ 1997. 1-1992-1 - 1 - 1997. 1-1992-1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1				
-	3 All succes 116.28 +0.44 6.41 30 Introdemables 18.41 18.52 11.52											
	Tues., July 24 Mon. Fri. Thurs. Wed. Tues. Mon. Fri. Year lindest Yield 25 20 19 18 17 16 13 Gappro											

17 Coml. and Indl. Prefs. (20) 72.10 18.40 72.10 71.67 71.47 69.95 69.91 75.06 70.18 30.5

15 20-yr. Red. Deb & Loans (15) 58.54 118.68 58.49 58.44 58.44 57.56 57.86 57.86 57.86 57.86 57.86 Investment Trust Prefs. (15) 51.60 13.00 51.60 51.56 51.56 52.64 52.16 52.165 52.05 76.60

FOOD, GROCERIES Cont.

SHARE INFORMATION SERVICE

FOREIGN BONDS & RAILS Treasury 30c 79tt...
Electric 44ac 74-79
Treasury 10-3c 79tt...
Electric 3-3c 79t...
Electric 3-3c 79t...
Electric 3-3c 79t...
Electric 3-3c 79t...
Treasury 9sc 1980tt
Treasury 9sc 1980tt
Treasury 3-3c 197-80...
Funding 5-4c 78-80tt
Treasury 3-3c 1979-81...
Treasury 3-3c 1979-81...
Exch. 8-3c 1981...
Exch. 8-3c 1981...
Exch. 8-3c 1981...
Exch. 3c 1981...
Treasury 3-3c 1979-81...
Treasury 3-3c 1979-81...
Treasury 3-3c 1981...
Treasury 3-3c 1982...
Exch. 8-3c 1983...
Exch. 8-3c 1983...
Exch. 8-3c 1983...
Exch. 10c 1983...
Treasury 3-3c 1983...
Exch. 10c 1983...
Funding 5-3c 1984...
Exch. 3-3c 1984...
Five 10 Fifte... **AMERICANS** F - SPES CHIEFS 2014 127 ASA 2015 199 49 AMF 5% Cors. 197 2114 145 Abbott Labs. || — Abbott Labs. || Five to Fifteen Years Over Fifteen Years Transco.

De 10% in. Sit. 91-2.
Tesaro Pt. USSB 167.
Tesaco S6.25.
Time inc.
Transamerica \$1.
U.d. Tech. \$USS
U.S. Steel \$1.
Woolworths \$32-2 | 10% | 12% | 10% | 12% | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 **Undated** 10°3 Bow Vatteryll
5250 Brascanij
10°4 Can. Imp. Sk. 52 ...
12°4 Can. Pacific S5 ...
28°0. 490 Geb. £100°
21°4 Gulf Oil Can. j
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CHEMICALS,

PLASTICS

ENGINEERING Continued CHEMICALS, PLASTICS-Cent. **BANKS & HP—Continued** Allen W.S.
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138 | Abine Soft D 10p | 151 | 4 | 67.37 | 1.9 7.218.4 |
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A selection of Options traded is given on the London Stock Exchange Report page						

FINANCIALTIMES

Wednesday July 25 1979



More nuclear waste tests planned for UK

BY DAVID FISHLOCK, SCIENCE EDITOR

THE GOVERNMENT has named anther 11 areas of England, is proposed on the basis of ently there for another 20-30 Wales and Scotland in which it studies by the Institute of years. proposes to make test borings proposes to make test borings to see whether the rock struc-to see whether the rock struc-ture might be suitable for stor-Gwynnedd-Powys, Highlands, satisfy themselves of the longture might be suitable for stor. Gwynnedd-Powys, Highlands, ing highly radioactive nuclear Leicestershire-Nottinghamshire, ing highly radioactive nuclear

written Parliamentary reply Herefordshire-Worcestershire. from Mr. Michael Heseltine, Secretary for the Environment, soft rock—salt or clay—whereas confirms the Government's determination to proceed with its for drilling were all in hard research programme into ways rocks. of permanently disposing of nuclear waste.

national groups opposed to nuclear energy, in addition to local objections to attempts to

All test borings in Britain, ject to local planning permis-

Three applications for drill-Authority-two in Northumberland and one in Kyle and Authority believes that Britain Carrick—were fused under an

Geological Sciences are Northumberland, Somerset, The announcement, in a Strathclyde. Western Isles, and

The new areas are regions of

Either type holds possibilities.

The research has been hampered by the activities of providing a safe repository for radioactive wastes, the national control of providing a safe repository for radioactive wastes, the geologists believe. They consider that about 16 per cent of Britain's land mass is potentially suitable.

Mr. Heseltine, in his statefor whatever purpose, are subany decision to experiment with burial of radioactive waste would be the subject of a separate planning inquiry.

The UK Atomic Energy might be ready to choose a site earlier programme. But a for trials in radioactive waste fourth, in Caithness, was burial—if it should need one—approved and drilling began by about the mid-1980s, although it would probably not

The 11 areas where drilling wish to deposit waste perman-

But the geologists will first term safety of the rock struc-

Their efforts are being baulked by the unwillingness of local authorities to permit investigations. The Flowers report quences of nuclear power in 1976 recommended that Britain should be putting a greater scientific effort into the problems of waste disposal.

In March this year, Sir Denys Wilkinson, chairman of the Advisory Committee on Radioactive Waste Management, set up by the Department of the Environment in the wake of the Flowers report, wrote to Mr. Peter Shore, then Environment Secretary, warning that unless the drilling programme pro-ceded his committee would be unable to tender useful advice.

Sir Denys said that local objections were founded on fundamental misunderstandings of the purpose and nature of the

To the evident relief of MPs

fits, the suggestion had just

some Tory back benchers who

have only reluctantly reconciled

themselves to the likelihood of

The Prime Minister, who in

spite of noisy heckling by Labour back-benchers was in a

very confident mood, was

equally emphatic about the Gov-

Steady fall in adult jobless halts as vacancies decline BY PETER RIDDELL ECONOMICS CORRESPONDENT

THE STEADY fall in adult unemployment in the spring and early summer has come to a halt over the last month, while notified vacancies have started

It is too early to conclude that a turning point has occurred, since there is other evidence of a strong labour market, especially in London and the South-East. But most

policymakers believe that unemployment will rise sharply over the next 12 to 18 months because of the combination of recession and a squeeze on public sector manpower.

Department of Employment figures published yesterday show that the number of adults out of work in the UK was un-changed in the month to mid-July at 1.28m on a seasonally-adjusted basis. This is equivalent to 5.3 per cent of the work-

But many school-leavers star-

Profits 'could

THE REAL profitability of British companies could be halved this year to about 3 per cent, excluding the North Sea sector, Sir John Green-borough, CBI president, told

an FT conference yesterday. This compared with about 10

per cent in the late 1960s.

Report, Page 6

ted to look for work and this

was the main reason for a

120,000 rise in the unadjusted

UK total over the last month

on the register rose by nearly 72,000 to 215,000. This is 27,700

lower than a year ago, in spite

of an increasing number of

The large number of un-

may have done so again this

BY OUR FOREIGN STAFF

similar clash in May 1978, is

likely to sour Sino-Soviet

relations just as plans are being

made for talks on improving

The Chinese Government said

through the New China News

Agency that Soviet frontier troops killed a party official and wounded a farm veterinarian

after an ambush in the Tersadi area of Xinjiang province. The dead man, named as Li

Bacquin, and the wounded man

named as Burumbutug, were

then dragged into Soviet terri-

tory, according to the Chinese.
The USSR, says the incident occurred as Soviet border

roops intercepted a patrol of

about half-a-mile inside terri-

prompt formal protests since

same area. Tension is constant along the border, and less dra-

matic incidents are understood

parallel with those between China and Vietnam. Soon after

in February this year—the

Agreement in June between

Relations between China and

to occur frequently.

relations.

China and Russia lodge

border incident protests

pupils leaving school.

The number of school-leavers

be halved'

U.K. UNEMPLOYMENT

years. There are, however several signs that labour is still short in some areas.

Yet the halt to the fall in unemployment at least raises a question about the underlying direction, after a drop of 91,500 in the last year.

Similarly, a fall of 9,400 to 253,000 in the number of vacancies notified to employment offices in the last month is in marked contrast to the rise in the total over the last year. The July figure is—apart from the previous month—the highest level for vacancies since November 1974

The turning point is, however, unlikely to be more than a few months away, given that the growth of total output is soon expected to slacken.

Last week the Organisation for Economic Co-operation and Development projected a rise in the rate to over 6 per cent during the first half of 1980, equivalent to a rise of between 180.000 and 200,000. Whitehall projections are unlikely to be very

The Government's job support measures have had a growing impact over the last month. The estimated number kept off the register is 15,000 higher at 190,000, chiefly because of the inemployed school-leavers has creasing total benefiting from tended to obscure the underlying the temporary short-time work-trend in recent summers and ing compensation scheme.

Unemployment map, Page ?

Jenkins eases way **Thatcher** for uranium pact rules out early cut BY DAVID FISHLOCK AND GUY DE JONQUIERES

BRITAIN and Australia yesterday signed a bilateral nuclear tralian uranium, thereby safeguards agreement for the supply of uranium to Britain

The signing took place in London a year after a previous attempt aborted at the last minute when the EEC Commission refused to give its approval. This approval was needed under

during the 1980s.

the Euratom Treaty. Yesterday France, which also wanted to sign a bilateral safelia, presented its EEC partners with demands for a revision of the Euratom Treaty which would effectively strip Euratom fuels and fuel services.

Model

The Anglo-Australian agreement opens the way to commercial contracts under which Britain expects to purchase 1,000-1,300 tonnes of Australian uranium a year during the 1980s.

The Australian Government believes that its safeguards agreement—based on conditions laid down in May, 1977-meets the objectives of both countries and will serve as a model for other bilateral safeguards agree-

Britain has been in discussion with the EEC Commission since supply agency to exercise a 1977 to get a Euratom agree-monopoly over nuclear supplies. ment that would obviate any necessity for the Nine to negotiate independently with

· Euratom is still not ready to pact evaporated after an inter-

Britai nhas created a precedent the TVA fails to pay Rio Algom which will allow other EEC the \$22.7m (£9.9m) due for the members to negotiate bilateral purchase.

safeguards agreements for Ausweakening the authority

listed in an official memorandum Council meeting in Brussels. It said that the Euratom Treaty, lief on mortgages.

Asked by Mr. James Callaghan circulated at a Foreign Ministers' nuclear power as a source of

The memorandum received a wary, indeed hostile, response from several other governments. is seeking the treaty revisions mainly in an effort to build up a position of unassailable nuclear industry.

Chapter six of the Euratom

sign such a treaty with Australia. But the EEC Commission's objections to the bilateral sidiary of RTZ, intends to resell vention by Mrs. Margaret delivered to Eldorado Nuclear, Thatcher when she tackled Mr. the Canadian state-owned Roy Jenkins, president of the Commission, last month.

What is not clear is whether Tennessee Valley Authority if

they were needed. Mrs. Thatcher refused to give any undertaking about a future dorsed the general line taken by the Chancellor last week and insisted that interest rates rates would have to remain high as long as the "tremendous amount" of borrowing contin-

She repeated that it was the Government's long term intention to reduce public expenditure as a proportion of total national income. But for the moment, she said, the task was to "constrain it from growing

Parliament, Page 8

Continued from Page 1

British Gas profit

corporation to lend money to the Government, it claims.

in a specially nominated feet a day to between 5.5bn and account, and British Gas have the right of withdrawal, at any

rate will be linked to, and fluctuate with, market rates.

deposit at current rates.

the financial year 1980-81. totalled £81.9m, the lowest for ate production in 1985. The 10 years and some 3.8 per cent start is now likely to be in 1983.

charges accounted for more than field, which may include builda fifth of the undertaking's ing nine small drilling plat-

An exchange of letters between the two governments will agree to reconsider their treaty before the end of 1982 if no Australia-Euratom agreement

ernment's determination to maintain the present high level of interest rates as long as 500,000 lbs of uranium oxide it

crease sales gradually, from the

cial buyers seeking large con-

To help it meet peak winter

It had been planned to initi-

forms and two process plat-

forms. The corporation has

tively low demand.

Continued from Page 1

The money will be deposited present average of 4.5bn cubic

6bn by the mid-1980s. But it felt that offshore resources could not sustain a higher level Details of the arrangement In the meantime British Gas have not been disclosed, though has warned that it may not be it is thought that the interest able to meet all requests for new sales, particularly from householders living some dis-

On this basis the corporation tance from a main, or commer could expect to earn at least 10 to 12 per cent interest on its

One effect of this arrangement demand the corporation plans is that the corporation should to bring forward development become a net interest earner in of its Irish Sea Morecombe Last year interest payments

In the early 1970s interest some £450m on developing the

Sir Denis said that the corporation was concerned at the begun negotiations with comway disparity in fuel prices and panies with interests in the the crisis of confidence in the Rough and Hewett gasfields in oil business had led to a "deluge the southern sector of the North

of requests" for new gas Sea. It hopes for an arrange-appliances. gas Sea. It hopes for an arrange-ment with the companies where-This "flight from oil" was by it can use the partly-depleted putting pressure on the corpora- reservoirs for storage in periods tion to extend its system faster of high production and rela-

THE PRIME Minister made it clear yesterday that there was absolutely no question of a cut in the minimum lending rate as long as demand for credit and bank borrowing remained at its

present high rate. Suspicions on her own side she also dis-

The French demands were missed the suggestion, made this week, by one of her economic

and should be adapted in line to comment on the suggrestion, with the growing importance of made by Professor Douglas nuclear power as a source of Hague at a Financial Times conference on Monday, she said she was " delighted to deny it. One's advisers are not always right In the light of the Government's declared determination to cut down on businessmen's

There is a strong suspicion among France's partners that it perks and other fringe tax benedominance over the European enough credibility to worry Monopoly interest rates staying at their present high rate for some time

Treaty requires the Euratom These far-reaching powers have never been exercised, but last November the European Court of Justice ordered that the treaty must be fully enforced.

Later in the afternoon, during the USSR have deteriorated in debate on the cuts in regional aid announced last week. Sir Keith Joseph, the Industry China's invasion of Vietnam-Secretary, announced that the eight English regional economic | Chinese Government cancelled planning councils are to be its almost-expired Sino-Soviet The regional planning Friendship Treaty. boards, which are staffed by civil servants are to be mainproved surprised many obser-

Blumenthal doubts

new role, will be tailoring Presi- The names of Mr. Rockefeller

he was very confident that at Miller.
the Treasury he would have Mr. Miller is to make his first British Gas plans to spend direct access to the President appearance on Friday before direct access to the President appearance on Friday before and the strongest of roles to the Senate Finance Committee play in shaping economic policy. to be confirmed as Treasury Otherwise, he would not have Secretary. He has promised he given up his security of tenure will not leave the Ford Power Secretary.

> the Treasury that the job of But Mr. Carter's delay on a Treasury Secretary was first new appointment has cast doubt offered to Mr. David Rockefeller, chairman of Chase Manhattan Bank, and to Mr. Fed. chairman before Congress Reginald Jones, chairman of starts its summer recess on General Electric, before Mr. August 3. The seases Leaf until Jersey General Electric, before Mr. August 3. The recess lasts until Jansey C Johnes S. September 5.

dent's Carter's policies for re-election. and Mr. Jones are among those touted as the new nominee for Mr. Miller said yesterday that Fed. chairman to replace Mr.

given up his security of tenure will not leave the Fed. Board so chairman of the independent leaderless, and will stay on until the Senate confirmation of his Geneva It also transpired from inside successor is well under way.

CHINA and the Soviet Union vers. The talks were scheduled to open in Moscow in September at Deputy Foreign Minister China has named Mr. Wang lodged formal protests against each other yesterday after an incident on July 16 on their border in which a Chinese

Yuping to head its delegation. official was killed. The Soviets have not yet named to be the most serious since a similar clash in May 1079 is official who has headed negotiations in Peking on Sino-Soviet booder disputes during the past nine years. Warning of Soviet air.

Weather

UK TODAY DRY and supply in South. Some rain in North. London, S.E., S.W., Cent.

England, Channel Islands
Dry. Max. 21C (70F).
E., Cent., N. England, Midlands,
E. Anglia Bright, some cloud and rain.
Max 21C (70F).
Wales, N.E., N.W. England,
Lake District, Isle of Man,

tory.
This is the first incident to Borders, Edinburgh and Dundee, Glasgow, S.W. Scotland. May last year, when Soviet and Chinese troops clashed in the and Northern Ireland Cloudy with some rain. Max 17C (68F).

Rest of Scotland Sunny intervals with some showers. Max 16C (61F). Outlook: Cloud, some rain in South, sunny intervals in North.





THE LEX COLUMN

A cash bubble at British Gas

For some hours yesterday Index rose 0.3 to 467.0 the premiere of Treasury of was heading for a bumper over subscription at the Watting Street box office. When gits edged prices began to difficult tower in the afternoon it was widely assumed that investigation were selling other stocked to finance their tenders for the stocked to the stock finance their tenders for he new tap, but as the market closed last night brokers the themselves with rather the rather the rather themselves with rather the rather the rather the rather themselves with rather the rathe applications than they fast expected. The stock will appli-ably be just fully subscribed at the minimum price of \$85.56; there should be plenty of solid demand from life insurance companies with long liabilities to match, but the stags may not be as much in evidence as they have recently been.

Sterling rose 0.6 to 73.6 on the trade-weighted index yesbank intervention on the con-tinent meant that it was the only currency in which traders coming out of dollars dollar hope for movement. But German and Swis funds seem suspicious of the pound's strength and rather upwilling to buy stock with the currency at present levels and long gifts already discounting a great deal

British Gas

As usual a mass of confusing figures emerges from the British Gas Corporation's annual report, none being more misleading than the declared pre-tail profit figure of \$360.7m igainst \$180.3m. In fact this comparison is gravely distorted by the absence of the previous year's special write-off of £238.9m. The true underlying picture emerges from the source and application of funds statement, which shows that the gross cash flow generated from trading actually dropped slightly in 1978-79 from £767m to £735m. This reflects the freezeon domestic prices and the weakness of commercial gas prices early in the year, together with a rapid rise in costs. On the other hand the hard winter brought a late surge in demand, and with customers

withering away of the interest NatWest



average, in 1978 prices. : Allowing for increases in working capital, the corporation is at the resources it requires.

Hence the curious financing position. During the year British Gas paid off £720m of the £835m it owed to the National Loans Fund. The National Loans Fund. The remaining £115m is being repaid this week and by the end of the financial year the corporation could be the proud possessor of approaching £300m of reverse NEF deposits.

With price rises planned for domestic gas next year these deposits could rise rapidly, and British Gas is currently negotiating with the Treasury terms which could ensure that it will be able to rectain the money when required in the future. But it may prove harder for the gasmen to hold on to their cushion than they realise. Although British Ges is dress ing up the cash reserves as a balance for future investment. in fact a large part arises from the windfall gains which accrue to the corporation as a monopoly buyer and distributor At one level, it may not

matter too much in which public sector accounts these gains pop-up. Yet as things stand there is a danger that British Gas willbe encouraged to overinvest and so long as upstream and queueing up the current year up there can be ne rational will continue to be extremely basis for gas pricing.

next five years investment in West's profits growth in the nearly 8 per cent at the bid fixed assets will only be running first half appears to have been price. This should be enough to at around £350m a year, on well above average for the see of BTR's current offer.

Of course NatWest has a lot of carcing up to do after its bleak performance in the mid-1970's. But the combination of 1970's But the combination of lower had debt charges and a reduction in unproductive capital spending is helping the group ontperform its rivals. In addition, the big post-merger firsts into international banking is starting to pay off hand-sometry.

Given the sluggish recent per-fermance of Lingus Bank Inter-national and Barclays Bank International, a rise of tose to a third in Nativest's inter-national profits in stating terms is rather surprising. But Net-West graves that it mix of inter-national business differs from national business differs from the other two and an emphasis on fee earnings and unglamorous

However, the key factor behind the surge in group profits was the jump in domestic banking profits resulting from the combination of sharply higher interest rates and a 20 per cent rise in lending volume. Althoug signs of falling yet NatWest is saying that second half profits may not match "those of the first half.

This may well be overly cautious but even so group profits should be of the order, of 2430m (against £297.4m). Assuming the 22 per cent increase in the gross dividend is carried through to the final, it will be covered 51 times on a littly taxed basis. The shares fully taxed basis. The shares at 355p yield 6.5 per cent and with retained carnings of well. over £200m in the current year the purchase of the National Bank of North America should not put too much strain on the relatively low capital ratios provided of course sterling does not collapse over the next

BTR/Bestobell

Bestobell is putting up a strong fight against BTR's £26m offer, its trisply worded defence, document presents a rather convincing picture of a company which is approaching the payoff from an effort to refired its humbers towards its profitable UK operations and away from Charge.

Out of the mishmash of Compared with a 60 per cept costs in the UK provide one historical cost and current cost gain at Lloyds Bank National explanation for the uninspiring accounting one dominant theme Westminster's pre-tax profits performance in recent have doubled to £220 fm Even years. More tangibly Bestobell allowing for a once off is forecasting that its profits will merchanting overseas. Start up costs in the UK provide one explanation for the uninspiring vastly greater than it can invest. \$9.3m boost because of a change rise by at least 30 per cent to There is vague talk of a much in the accounting treatment for over \$6.3m this year and there bigger spending programme leasing business (bringing it is to be a higher dividend, which later in the century, but in the into line with Barclays). Nat. will heave the shares yielding



Or, indeed, of a score or more leading commercial and industrial centres regularly linked by our fleet of business jets-the largest of its kind in the world. We're truly at your service with flight schedules: tailor-made to your needs and more than 30 years

experience of the specialised regulirements of people

to whom time is critical.

However, we don't just cater for the captains of industry-we're often employed to transport engineers and technicians whose own skills are vital to the smooth running of a world in which high technology has never been higher. Medical evacuation. flights are available at short notice—and we're not above carrying nuts, bolts and essential spares to keep expensive and important machinery in action. A tall tell? Maybe, but certainly a proud one. For more information about us contact John Keeble at



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